

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**of the**

**TOWN OF MANSFIELD,**

**CONNECTICUT**

**FOR THE YEAR ENDED**

**JUNE 30, 2003**

**PREPARED BY:  
THE FINANCE DEPARTMENT**

**JEFFREY H. SMITH, DIRECTOR OF FINANCE**

**TOWN OF MANSFIELD, CONNECTICUT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2003  
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# Introductory Section

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**TOWN OF MANSFIELD**  
**OFFICE OF THE FINANCE DIRECTOR**



JEFFREY H. SMITH, Director of Finance

AUDREY P. BECK BUILDING  
FOUR SOUTH EAGLEVILLE ROAD  
MANSFIELD, CT 06268-2599  
(860) 429-3343  
Fax: (860) 429-6863  
E-Mail: [smithjh@mansfieldct.org](mailto:smithjh@mansfieldct.org)

February 19, 2004

To the Honorable Mayor, Members of the Town Council, and Citizens of the Town of Mansfield, Connecticut:

State law requires that all local governments publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Waivers for an extension of time through April 30, 2004, were requested and granted by the Secretary of the Office of Policy and Management. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Town of Mansfield for the fiscal year ended June 30, 2003.

This report consists of management's representations concerning the finances of the Town of Mansfield. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Mansfield's financial statements have been audited by Kostin, Ruffkess & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the Town's financial statements for the fiscal year ended June 30, 2003, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally and state mandated "Single Audits" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available as part of this Comprehensive Annual Financial Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Town of Mansfield**

The Town of Mansfield encompasses approximately 45.1 square miles. The Town is bounded on the east by Chaplin, on the north by Willington and Ashford, on the south by Windham, Lebanon, and Columbia, and on the west by Coventry. The Town of Mansfield was first settled in 1692 as part of Windham. In October 1702, the Connecticut General Assembly granted a charter of incorporation to the Town of Mansfield which was formed out of Windham.

The Town operates under the provisions of its Charter and the General Statutes of the State of Connecticut. Since 1970, when the Town established the Town Manager/Council form of government, the legislative power of the Town was vested in a nine-member council, elected at large for terms of two years, and the Town Meeting. The Mayor is elected by majority vote of the council. The Town Manager, who is the chief executive officer, manages the operations of the Town.

The Town and the immediate region is the beneficiary of the University of Connecticut being located in Mansfield. The University is a land grant University that was founded in 1881 as Storrs Agricultural School. With over 5,000 employees, the University is a major employer for the Town and the surrounding region.

Since 1990, the Town has expended in excess of the \$1.9 million to acquire open space land. During this period the Town has purchased seventeen properties totaling over 350 acres of land. The Town currently owns over 1,100 acres of open space land exclusive of schools and other municipal facilities.

The Town of Mansfield provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; education pre-kindergarten through eighth grade and high school through the Regional School District No. 19; social services including a day care center, a youth service bureau and a senior center; public health services through the Eastern Highlands Health District; recreation services and adult education including a new community center; library services in a library building which was recently renovated; and affordable housing through a Town housing authority.

The Mansfield Discovery Depot, Inc. is financially accountable to the Town since the Town Council has approval authority over budget increases in excess of \$10,000 and, therefore, is shown as a discretely-presented component unit in the Town's financial statements. The agency appoints its own board, of which two of the members are also members of the Town Council. Mansfield Discovery Depot, Inc. accounts for federal and state funds, local contributions and participants' fees for the operation of a child day care center.

## **Budget Policies**

The procedures for establishing the budgetary data reported in the financial statements are as follows:

1. The Town legally adopts an annual budget for the General Fund and Capital Nonrecurring Special Revenue Fund. Formal budgetary integration is employed by the Town Council as a management control device during the year for the General Fund. A budgetary comparison on a legal basis has been included in the appropriate financial statements and schedules, and budgetary to GAAP reporting reconciliations have been provided in Note II. B., Budget to GAAP Reconciliation.

The Capital Projects Fund employs a project length budget, which is approved by the Annual Town Meeting.

2. Prior to March 1, each department head, office, agency, board or commission of the Town, supported wholly or in part from Town funds, shall submit budget requests in the form requested by the Town Manager so as to indicate the programs, activities, and work accomplished in the current fiscal year and to be accomplished during the ensuing year. These shall be accompanied by detailed estimates of expenditures to be made and of revenues other than taxes to be collected during the ensuing fiscal year, along with such other information as may be requested by the Council or the Manager.
3. Prior to April 1, the Town Manager shall present to the Council a budget consisting of:
  - a. a budget message outlining the financial situation of the Town government and describing the important features of the budget plan;
  - b. the budget of the Board of Education as submitted to the Manager, along with whatever analysis or comments the Manager wishes to provide;
  - c. statements of the Manager's proposed operating program and expenditures for the Town functions and Town-supported functions, other than those of the Board of Education, along with comparisons of amounts expended in the last completed fiscal year and estimated amounts to be expended in the current fiscal year;
  - d. information on amounts of revenue, other than property taxes, collected by source, in the last completed fiscal year, estimates for the current and for the ensuing year, along with information and estimates regarding property tax revenues for the same periods;
  - e. statements of the condition and estimated condition of the Town funds and of the debt service obligations of the Town, proposed capital improvements to be undertaken during the ensuing fiscal year or later years, and the proposed methods of financing them; and
  - f. such other information as will assist the Council and the Town Meeting in deciding on an annual appropriation and a capital improvements program.
4. The Council shall hold at least one public hearing on the budget during the month of April and shall adopt a proposed budget, including a recommended appropriation act, by May 1, which shall be published in a newspaper in general circulation in the Town at least five days prior to the annual Town Meeting for budgeting consideration.

## **Budget Policies (continued)**

5. An annual Town Meeting for budget consideration shall be held on the second Tuesday in May. This meeting shall consider the budget presented to it by the Council and may approve or lower any item, but may not raise the amount of such item. If the annual Town Meeting fails to adopt a budget, the budget will be returned to the Council for its consideration. The council shall return the same or a revised budget to a Town Meeting called by the Council for a date no later than ten days after the annual meeting, at which the Town Meeting may approve or lower any item. Should the Town Meeting then fail or refuse to adopt a budget, the budget appropriation last proposed by the Council shall be in full effect.

## **Economic Condition and Outlook**

Because Mansfield is the home of the University of Connecticut, our local economy tends to remain more stable than other areas in the State and Nation. Unemployment since 2000 has ranged from an annual average high of 2.8 percent to an annual average low of 1.3 percent. Property tax collections over the last ten years have averaged 98 percent. Mansfield is less impacted by general economic conditions, and there is no reason to believe that will change any time in the immediate future.

With this said, Mansfield is also far more dependent upon State grants to pay for the costs of operating our Town than most other communities in Connecticut. This tends to result in a feast or famine scenario. When times are good and State tax coffers are full, Mansfield does very well, but when times turn down, so do our State grants. For example, during FY 2003/04, we were notified by the Governor's Office that many of our State grants would be cut by approximately 5 percent, resulting in a loss of approximately \$200,000.

## **Cash Management**

Cash temporarily idle during the fiscal year was invested in the State of Connecticut Short Term Investment Fund (STIF) or money market accounts. Cash available for long-term investment was invested in various equity mutual funds, bond funds and U.S. Treasury notes. General Fund investment income amounted to \$239,331 in 2003, compared to \$417,270 in 2002, mainly due to low interest rates.

## **Risk Management**

The Town entered into a contract with a local consultant to provide the Town with risk management services. The services of the consultant are also shared with the Mansfield Board of Education and Region No. 19 Board of Education. The two Boards and the Town also share the costs for a risk management assistant (a Town employee) to assist the consultant in carrying out the risk management program. All risk management activities for both Boards of Education and the Town are centered with the risk management assistant.

An Executive Safety Committee, comprised of the two Superintendents, the Town Manager, the Finance Director, and the Risk Management Assistant, meets periodically. That Committee's primary responsibility is to set policy for risk management activities for the ensuing six months and to review and act upon critical risk management matters, as needed.

The Risk Management Assistant has provided guidance to Department Heads and Building Supervisors in establishing safety committees. The committees meet periodically to implement decisions made by the Executive Safety Committee and act upon risk management matters, as needed.

## **Pension Plan**

All Town employees participate in the Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, municipal employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report, which may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All benefits vest after 5 years of continuous service. Members who retire after age 55 with 5 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Mansfield for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. In order to be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid only for the fiscal year awarded. We believe our current report continues to conform to the program requirements, and is being submitted to GFOA to determine its eligibility for another certificate.

## **Acknowledgement**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted in its preparation. I would also like to thank the members of the Town Council and the Mansfield Board of Education for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Jeffrey H. Smith  
Director of Finance

# **FINANCIAL MANAGEMENT GOALS**

## **PREFACE**

The Fiscal Performance Goals adopted by the Town Council on March 9, 1987, as amended November 25, 1996, represent an effort to establish written policies for guiding the Town's financial management practices. These goals are not intended in any way to limit the authority of the Council to act, but rather to form a framework within which to make financial decisions and to monitor financial activity in a consistent manner. The adoption of these goals will not restrict the Town Council's ability and responsibility to respond to emergency or service delivery needs above or beyond the suggested limitations herein established.

## **FINANCIAL REPORTING**

### **PERFORMANCE GOALS**

- A policy of full and open disclosure of all financial activity will be adhered to.
- Records will be maintained on a basis consistent with accepted government accounting standards.
- The Director of Finance will prepare monthly, quarterly and annual financial reports, presenting a summary of financial activity by major types of funds and programs.
- The Comprehensive Annual Financial Report will be prepared in conformity with accounting principles generally accepted in the United States of America and governmental financial reporting practices.
- An independent public accounting firm will be employed to perform an annual audit of all funds, authorities, agencies and grant programs, and the annual audited report will be made available to the general public, bond and financial consultants, and other interested citizens and organizations. The audit will be completed and submitted to the Town Council within one hundred fifty (150) days of the close of the Town's fiscal year.

## RESERVE PERFORMANCE GOALS

- A contingency account will be established annually in the operating budget to:
  - a. provide for settlement of pending labor contract negotiations;
  - b. provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature;
  - c. permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies;
  - d. provide the local match for public or private grants; and
  - e. meet unexpected small increases in service delivery costs.
- The contingency account will be budgeted at a level sufficient to provide for settlement of pending labor contract negotiations plus an amount not to exceed one percent (1%) of the proposed Town budget. The Town's budget will be amended at the time such contingency funds are committed. The contingency account will be separate from the carryover fund balance.
- A year-to-year carryover fund balance will be maintained in an amount necessary to maintain adequate cash flow and to prevent the demand for short-term borrowing. The undesignated fund balance should be at least three percent (3%) of the general fund operating budget and shall be separate from the contingency account. Fund balance in excess of the three percent goal should be used for balancing the proposed operating tax budget in the succeeding fiscal year.

## **CAPITAL IMPROVEMENTS**

### **PERFORMANCE GOALS**

- Capital improvements will be based on long-range projected needs rather than on immediate needs, in order to minimize future maintenance, replacement and capital costs.
- All capital improvements should be made in accordance with the Town's five-year capital improvements program. The capital improvements program shall be revised annually.
- The development of the capital improvements program will be coordinated with the operating budget in order to maintain a reasonably stable total tax levy.
- Before submission to the Town Council, the Town Manager will identify the estimated cost and potential funding sources for each capital project proposed. Future operating costs associated with a proposed capital improvement will be estimated before a decision is made to implement a project.
- Federal, State and other intergovernmental and private funding sources will be sought out and used as available to assist in financing capital improvements.

## INVESTMENT PERFORMANCE GOALS

- A cash flow analysis of all funds will be developed on a regular basis. Collections, deposits and disbursements of all funds will be scheduled in a way as to ensure maximum cash availability.
- Where permitted by law, cash from separate funds and sources will be pooled to maximize investment yields. Interest will be credited to the General Fund except where prohibited by law or where the source of the cash is from an individual or corporation to ensure performance. Interest will be credited to the Capital and Nonrecurring Expenditure Fund (CNR) on cash held in the CNR Fund and the Capital Fund. The interest income will be used for future capital projects or debt service.
- Investment policy will be consistent with State law and will provide for security of principal as well as needed liquidity.

## **DEBT PERFORMANCE GOALS**

- Long-term debt will be limited to those capital improvements that should not be financed from current revenues.
- The maturity date for any debt will not exceed the reasonably expected useful life of the project so financed.
- The total direct general obligation debt will not exceed three percent (3%) of the full assessment value of taxable property.
- As a means of further minimizing the impact of debt obligations of the taxpayers:
  - a. long-term net debt will not exceed \$500 per capita; and
  - b. these limitations will not apply to any debt incurred for emergency purposes.
- The issuance of bond, tax and revenue anticipation notes will be avoided.
- Special assessments, revenue bonds and/or any other available self-liquidating debt measures will be used instead of general obligation bonds where and when possible and applicable.
- An official statement will be prepared to be used in connection with all sales of bonds and notes.
- Good relations will be maintained with financial and bond rating agencies, and a policy of full and open disclosure on every financial report and bond prospectus will be followed.

## **OPERATING EXPENDITURES**

### **PERFORMANCE GOALS**

- The Town Manager will propose and the Town Council will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonable estimated resources and revenues.
- All current operation and maintenance expenses will be paid from the current revenue sources.
- The operating budget will provide for the adequate maintenance of capital assets and equipment.
- The budget will provide for adequate funding of all employee benefit programs and retirement systems.
- A budgetary control system will be maintained to enable adherence to the adopted budget. This will include a record keeping system to be adhered to by all programs and activities receiving annual Town Council appropriations.
- A system of regular monthly fiscal reports comparing actual revenues and expenditures to budgeted amounts will be prepared and maintained.
- An effective risk management program to minimize loss and reduce costs will be developed and implemented. The Town Manager will ensure that adequate insurance programs are in place, including unemployment and workers' compensation insurance.
- Delivery of services by other public and private organizations will be encouraged whenever and wherever greater efficiency and effectiveness can be expected. Technology and productivity advancements that will help reduce or avoid increasing personnel costs as a proportion of the total budget, that use available resources more productively and creatively, and that avoid duplication of effort and resources will be utilized.
- A Reserve Fund for Capital and Nonrecurring Expenditures will be maintained and will be adequately funded each year by a transfer from the General Fund Budget and by unanticipated one time revenues.

## REVENUE PERFORMANCE GOALS

- A diversified and stable revenue system will be maintained as protection from short-run fluctuations.
- Annual revenues will be estimated on an objective and reasonable basis. The Town Manager will develop a method to project revenues on a multi-year basis.
- One time or special purpose revenues will be used only for capital expenditures or for expenditures required by the revenue and not to subsidize recurring personnel, operation or maintenance costs.
- All user charges and fees will be annually re-evaluated at a level related to the cost of providing the services.
- Appropriate expansion and diversification of the tax base will be encouraged and additional Federal and State revenues will be sought in order to reduce the reliance on the property tax as it affects individual homeowners.

TOWN OF MANSFIELD, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS

Town Council

Elizabeth Paterson, Mayor  
Greg Haddad, Deputy Mayor  
Bruce Bellm  
Alan Hawkins  
Eric Holinko  
J.C. Martin  
William Rosen  
Carl Schaefer  
John C. Thorkelson

-----

Martin H. Berliner  
Town Manager

Matthew W. Hart  
Assistant Town Manager

Jeffrey H. Smith  
Director of Finance

Cheryl A. Trahan  
Controller

Walter Topliff  
Assessor

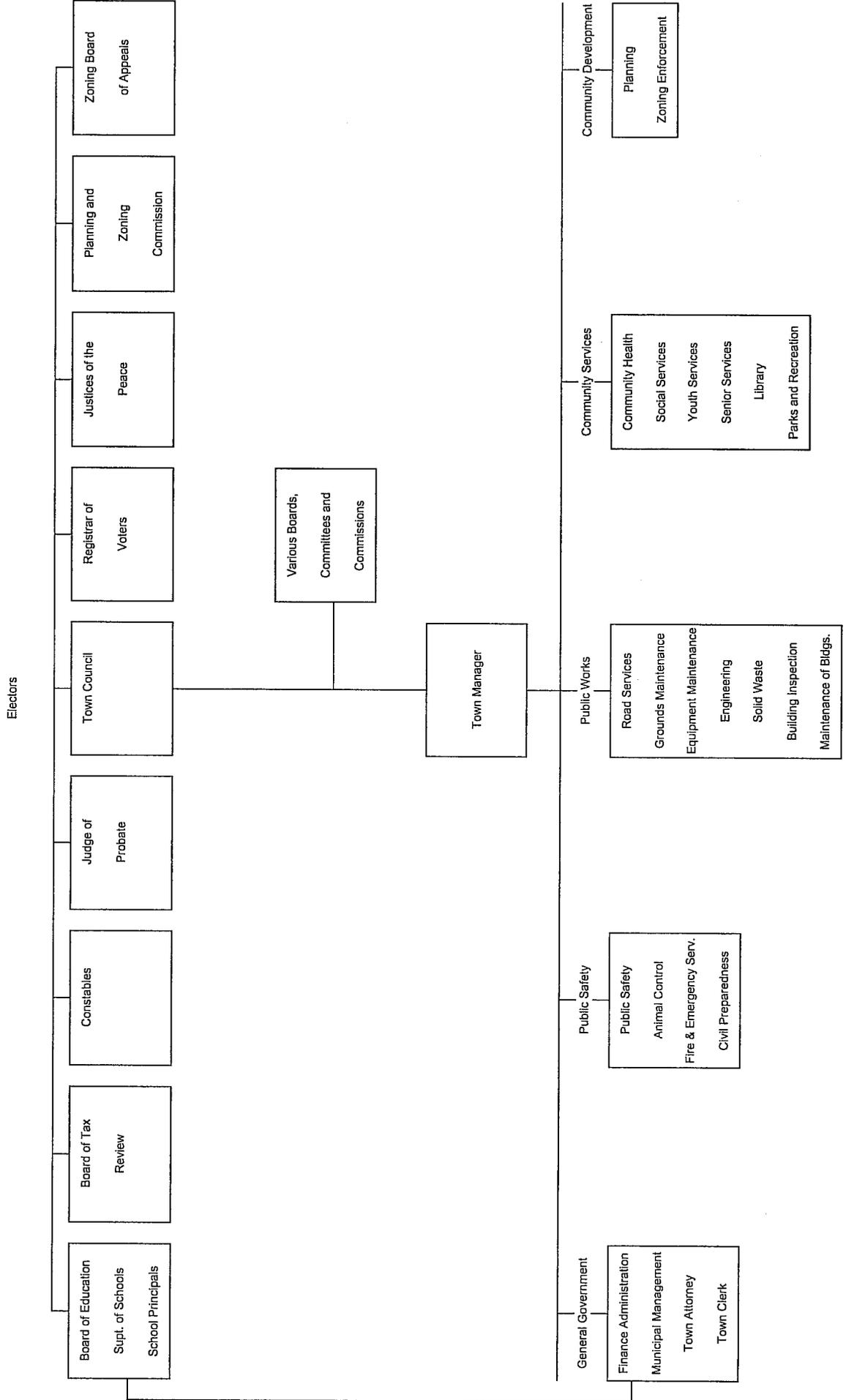
Joan Gerdson  
Treasurer

Pamela Wells  
Collector of Revenue

Jo-Anne Roberts  
Information Technology Manager

TOWN OF MANSFIELD, CONNECTICUT

ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Mansfield,  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

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



A handwritten signature in cursive script, appearing to read "Edward Haney".

President

A handwritten signature in cursive script, appearing to read "Jeffrey R. Emer".

Executive Director

---

# Financial Section

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**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington • New London

Pond View Corporate Center  
76 Batterson Park Road  
Farmington, CT 06032

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRCO  
Fax: (860) 678-6110  
Web: www.kostin.com

INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Mansfield, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2003, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2004, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis on pages 19 through 26 is not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



February 19, 2004  
Page Two

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mansfield, Connecticut's basic financial statements. The introductory section and the accompanying financial information listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As described in Note IV. E., the Town has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other related pronouncements, as of June 30, 2003.

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 19, 2004



## TOWN OF MANSFIELD

### OFFICE OF THE FINANCE DIRECTOR

---

JEFFREY H. SMITH, Director of Finance

AUDREY P. BECK BUILDING  
FOUR SOUTH EAGLEVILLE ROAD  
MANSFIELD, CT 06268-2599  
(860) 429-3343  
Fax: (860) 429-6863  
E-Mail: [smithjh@mansfieldct.org](mailto:smithjh@mansfieldct.org)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2003

---

As management of the Town of Mansfield, we offer readers of the Town of Mansfield's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

#### Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$67,486,239 (*net assets*). Of this amount, \$3,972,515 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets decreased by \$469,792. The most significant contributor to this was the deficit operations of the medical self-insurance fund.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,376,958, a decrease of \$5,000,363 in comparison with the prior year. Approximately 60% of this total amount, \$4,567,406, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$995,185 or 3.2% of total general fund expenditures.
- The Town's total debt decreased by \$951,967 (8.1%) during the current fiscal year. The key factors in this decrease were principal payments on bonded debt of \$1,175,000, reductions in our early retirement incentive of \$236,525 offset by \$457,758 increase in accrued compensated absences.

#### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Mansfield's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

**Overview of the Financial Statements (continued)**

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, community services, community development, and education. The business-type activities of the Town include a sewer operation and a transfer station operation.

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate day care agency (Mansfield Discovery Depot) for which the Town is financially accountable. Financial information for the day care agency is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 27-28 of this report.

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

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

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

The Town maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Overview of the Financial Statements (continued)**

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29-34 of this report.

**Proprietary funds.** The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer operations and for its solid waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its self-insured medical benefits, workers' compensation benefits, the providing of voice and data communications, and printing services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer fund (a major fund) and for the Solid Waste fund (a nonmajor fund). Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40-62 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 63-89 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$67,486,239 at the close of the most recent fiscal year.

**TOWN OF MANSFIELD NET ASSETS  
JUNE 30, 2003**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current assets	\$ 12,198,606	\$ 605,182	\$ 12,803,788
Capital assets	66,392,708	851,464	67,244,172
Noncurrent assets	1,994,977	8,218	2,003,195
<b>Total assets</b>	<b>80,586,291</b>	<b>1,464,864</b>	<b>82,051,155</b>
Long-term liabilities outstanding	10,837,993	26,720	10,864,713
Other liabilities	3,586,677	113,526	3,700,203
<b>Total liabilities</b>	<b>14,424,670</b>	<b>140,246</b>	<b>14,564,916</b>
Net assets:			
Invested in capital assets, net of related debt	59,852,708	851,464	60,704,172
Restricted	2,809,552		2,809,552
Unrestricted	3,499,361	473,154	3,972,515
<b>Total net assets</b>	<b>\$ 66,161,621</b>	<b>\$ 1,324,618</b>	<b>\$ 67,486,239</b>

By far the largest portion of the Town's net assets (90%) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, pump station and sewer distribution system), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (4.2 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$3,972,515) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

There was a decrease of \$10,733 in net assets reported in connection with the Town's business-type activities. The Town's net assets decreased by \$469,792 during the current fiscal year. This decrease represents substantially the operating deficit of the medical self-insurance activity.

**Governmental activities.** Governmental activities decreased the Town's net assets by \$459,059, thereby accounting for 97.7% of the total decrease in the net assets of the Town.

**Revenues**

Governmental activities revenues totaled \$36,941,854 for fiscal year 2003. Property taxes are the largest revenue source for the Town and represent 42.7% of governmental revenues. Current tax collections were 98.2% of the adjusted tax levy. Operating grants and contributions revenues are the Town's second largest revenue. Operating grants and contributions revenues include grants for education, public works and community services and account for 29.2% of governmental revenues for the year. Grants and contributions not restricted to specific programs account for 18.3% of governmental revenues and include property tax related grants.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Government-Wide Financial Analysis (continued)**

Expenses

Governmental expenses totaled \$37,390,913 for the fiscal year. Of the expenses, \$24,757,645 or 66.2% is related to education. Public works expenses amounted to \$3,950,774 or 10.6%. Community services expenses were \$2,681,113 or 7.2%, public safety expenses were \$2,670,346 or 7.1% and general government expenses were \$2,626,803 or 7%.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

**TOWN OF MANSFIELD CHANGES IN NET ASSETS  
JUNE 30, 2003**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 2,030,182	\$ 1,279,497	\$ 3,309,679
Operating grants and contributions	10,803,991		10,803,991
Capital grants and contributions	1,226,399		1,226,399
<b>General revenues:</b>			
Property taxes	15,779,448		15,779,448
Grants and contributions not restricted	6,769,550		6,769,550
Investment income	291,935		291,935
Miscellaneous	40,349	5,544	45,893
<b>Total revenues</b>	<b>36,941,854</b>	<b>1,285,041</b>	<b>38,226,895</b>
<b>Expenses:</b>			
General government	2,626,803		2,626,803
Public safety	2,670,346		2,670,346
Public works	3,950,774		3,950,774
Community services	2,681,113		2,681,113
Community development	290,611		290,611
Education	24,757,645		24,757,645
Interest expense	413,621		413,621
Sewer department		166,831	166,831
Transfer station		1,138,943	1,138,943
<b>Total expenses</b>	<b>37,390,913</b>	<b>1,305,774</b>	<b>38,696,687</b>
Decrease in net assets before transfers	( 449,059)	( 20,733)	( 469,792)
Operating transfers	( 10,000)	10,000	
<b>Change in net assets</b>	<b>( 459,059)</b>	<b>( 10,733)</b>	<b>( 469,792)</b>
Net assets - July 1, 2002	66,620,680	1,335,351	67,956,031
<b>Net assets - June 30, 2003</b>	<b>\$ 66,161,621</b>	<b>\$ 1,324,618</b>	<b>\$ 67,486,239</b>

**Business-type activities.** Business-type activities decreased the Town's net assets by \$10,733. General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1,285,041 in total business-type revenues, over 99% came from charges for services. Miscellaneous revenues make up the remaining revenue and are less than 1% of the Town's business-type activities.

The sewer department expenses were \$166,831 in the fiscal year ended June 30, 2003, and the transfer station expenses were \$1,138,943.

### **Financial Analysis of the Town's Funds**

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,376,958, a decrease of \$5,000,363 in comparison with the prior year. Approximately 62 percent of this total amount (\$4,567,406) constitutes unreserved fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate purchase orders of the prior period (\$164,300), 2) to pay debt service (\$899,010), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$368,443), 4) to pay contract commitments (\$1,375,889), or 5) for permanently restricted endowments (\$1,910).

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$995,185, while total fund balance reached \$1,159,485. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total general fund expenditures. Unreserved fund balance represents 3.2% of total general fund expenditures, while total fund balance represents 3.8% of that same amount.

The fund balance of the Town's general fund increased by \$39,192 during the current fiscal year. The increase was not attributable to any one item.

**Capital projects fund.** This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. The capital projects fund's expenditures exceeded its revenues and transfers in by \$4,529,191 for the fiscal year. This is a result of expenditures related to the community center, which were substantially funded in the prior years.

**Proprietary funds.** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to \$425,117 for the Sewer Operating fund, \$48,037, for the Solid Waste Disposal fund, and \$986,759 for the Internal Service funds. The total increase (decrease) in net assets for the funds was \$12,743 for the Sewer Operating fund, (\$23,476) for the Solid Waste Disposal Fund, and (\$628,407) for the Internal Service funds. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- \$ 9,729 in miscellaneous decreases in general government activities
- \$19,638 in increases allocated to public safety
- \$51,237 in decreases allocated to the public works department
- \$31,961 in decreases allocated to community services
- \$ 7,928 in decreases allocated to community development

During the year, revenues were less than budgetary estimates by \$474,736; however, expenditures were less than budgetary estimates by \$414,626. It was necessary to draw down fund balance by \$60,110. The significant items contributing to the revenue shortfall were investment income (\$280,669) due to low interest rates and property taxes (\$138,710). For expenditures the saving were obtained from the Mansfield Board of Education (\$278,898) and tight control over use of the contingency fund (\$133,658).

**Capital Asset and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2003, amounts \$67,244,172 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, pump station and sewer distribution system. The total increase in the Town's investment in capital assets for the current fiscal year was \$6,291,421 and consisted of \$6,190,867 for governmental activities and \$100,560 for business-type activities. Of the total amount, over 81% was related to the construction of a new 37,500 square foot community center. The remaining expenditures included a variety of road reconstruction projects and several major equipment purchases including a new ambulance, police cruiser, and sewer flushing unit.

**TOWN OF MANSFIELD CAPITAL ASSETS**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 3,916,272	\$ 3,876,478	\$ 74,798	\$ 74,798	\$ 3,991,070	\$ 3,951,276
Construction in progress	7,251,651	4,960,829			7,251,651	4,960,829
Land improvements	763,702				763,702	
Buildings	17,032,608	15,116,420	64,248	72,791	17,096,856	15,189,211
Improvements other than buildings	84,816	68,034			84,816	68,034
Equipment	1,065,130	1,060,538	194,058	109,729	1,259,188	1,170,267
Vehicles	1,366,997	1,471,764			1,366,997	1,471,764
Sewer distribution System			518,360	541,664	518,360	541,664
Infrastructure	34,911,532	35,346,333	2,864	5,223	34,914,396	35,351,556
<b>Total</b>	<b>\$ 66,392,708</b>	<b>\$ 61,900,396</b>	<b>\$ 851,464</b>	<b>\$ 798,982</b>	<b>\$ 67,244,172</b>	<b>\$ 62,699,378</b>

Additional information on the Town's capital assets can be found in Note III.C. on pages 51-52 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Long-term debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$6,540,000. The entire amount is backed by the full faith and credit of the government. During the year, the Town made \$1,175,000 in principal payments.

**TOWN OF MANSFIELD OUTSTANDING DEBT  
General Obligation Bonds**

**Governmental  
Activities**

	2003	2002
General Obligation Bonds - Town improvements	\$ 3,465,000	\$ 3,880,000
General Obligation Bonds - School improvements	3,075,000	3,835,000

The Town maintains an "Aa3" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$108,460,093, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III.E. on pages 55-57 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The Town is located east of Hartford, Connecticut, and is the home of the University of Connecticut. With over 5,000 employees, the University is the major employer for the Town. This has a positive effect on employment rates regardless of the business cycle.

- The following table presents unemployment rates for Mansfield, the Hartford Labor Market, the State and the United States.

**2003 Monthly**

<u>Yearly Average</u>	<u>Town of Mansfield</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2000	1.3	2.4	2.3	4.0
2001	1.6	2.8	3.3	4.6
2002	2.1	4.5	4.3	5.8
January	2.6	5.8	5.3	6.5
February	2.8	5.9	5.5	6.4
March	2.7	5.9	5.4	6.2
April	2.5	5.6	5.2	5.8
May	2.1	5.3	5.0	5.8
June	2.8	5.5	5.2	6.5

- Mansfield is far more dependant upon State grants to pay for the costs of operations than most other communities in Connecticut. This tends to result in a feast or famine scenario. When times are good and State tax coffers are full, Mansfield does very well, but when times turn down, so do State grants and our ability to fund the Town services. For example, the Town was notified by the Governor's Office that many of their State grants would be cut in fiscal year 2003/2004.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 4 South Eagleville Road, Storrs CT 06268.

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# Basic Financial Statements

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TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF NET ASSETS  
JUNE 30, 2003

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	MANSFIELD DISCOVERY DEPOT, INC.
<u>ASSETS</u>				
Current assets:				
Cash.....	\$ 105,047	\$	\$ 105,047	\$ 200
Investments.....	10,388,700	512,609	10,901,309	264,973
Receivables:				
Property taxes.....	293,766		293,766	
Intergovernmental.....	1,135,044		1,135,044	
Loans.....	5,430		5,430	
Other.....	256,431	92,573	349,004	
Other.....	14,188		14,188	
Total current assets.....	12,198,606	605,182	12,803,788	265,173
Noncurrent assets:				
Restricted assets:				
Permanently restricted:				
Investments.....	370,301		370,301	
Receivables (net):				
Property taxes.....	283,389		283,389	
Assessments.....	3,626		3,626	
Intergovernmental.....	1,278,240		1,278,240	
Loans.....	59,421		59,421	
Other.....		8,218	8,218	
Capital assets (net of accumulated depreciation):				
Land.....	3,916,272	74,798	3,991,070	
Construction in progress.....	7,251,651		7,251,651	
Land improvements.....	763,702		763,702	
Buildings.....	17,032,608	64,248	17,096,856	
Improvements other than buildings.....	84,816	194,058	278,874	
Machinery and equipment.....	1,065,130		1,065,130	
Vehicles.....	1,366,997		1,366,997	
Infrastructure.....	34,911,532		34,911,532	
Pump station.....		2,864	2,864	
Sewer distribution system.....		515,496	515,496	
Total noncurrent assets.....	68,387,685	859,682	69,247,367	-
TOTAL ASSETS.....	80,586,291	1,464,864	82,051,155	265,173
<u>LIABILITIES</u>				
Current liabilities:				
Cash overdraft.....	242,328		242,328	
Accounts payable.....	1,970,181	113,526	2,083,707	11,599
Accrued liabilities.....	1,051,728		1,051,728	
Accrued interest payable.....	16,514		16,514	
Deferred revenue.....	305,926		305,926	
Noncurrent liabilities:				
Due within one year.....	1,905,097	5,344	1,910,441	
Due in more than one year.....	8,932,896	21,376	8,954,272	
TOTAL LIABILITIES.....	14,424,670	140,246	14,564,916	11,599
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt.....	59,852,708	851,464	60,704,172	
Restricted for:				
Capital projects.....	1,375,889		1,375,889	
Debt service.....	899,010		899,010	
Perpetual care.....	368,443		368,443	
Endowments.....	1,910		1,910	
Other purposes.....	164,300		164,300	
Unrestricted.....	3,499,361	473,154	3,972,515	253,574
TOTAL NET ASSETS.....	\$ 66,161,621	\$ 1,324,618	\$ 67,486,239	\$ 253,574

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS			COMPONENT UNIT	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			MANSFIELD DISCOVERY DEPOT, INC.
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		
<b>GOVERNMENTAL ACTIVITIES:</b>								
General government.....	\$ 2,626,803	\$ 341,010	\$ 5,000	\$ -	\$ (2,280,793)	\$ (2,280,793)	\$ -	
Public safety.....	2,670,346	24,040	17,587	-	(2,628,719)	(2,628,719)	-	
Public works.....	3,950,774	538,157	117,574	479,952	(2,815,091)	(2,815,091)	-	
Community services.....	2,681,113	481,356	298,552	332,000	(1,569,205)	(1,569,205)	-	
Community development.....	290,611	17,888	-	-	(272,723)	(272,723)	-	
Education.....	24,757,645	627,731	10,365,278	414,447	(13,350,189)	(13,350,189)	-	
Interest expense.....	413,621	-	-	-	(413,621)	(413,621)	-	
<b>TOTAL GOVERNMENTAL ACTIVITIES.....</b>	<b>37,390,913</b>	<b>2,030,182</b>	<b>10,803,991</b>	<b>1,226,399</b>	<b>(23,330,341)</b>	<b>(23,330,341)</b>	<b>-</b>	
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Sewer Department.....	166,831	178,000	-	-	11,169	11,169	-	
Transfer Station.....	1,138,943	1,101,497	-	-	(37,446)	(37,446)	-	
<b>TOTAL BUSINESS-TYPE ACTIVITIES.....</b>	<b>1,305,774</b>	<b>1,279,497</b>	<b>-</b>	<b>-</b>	<b>(26,277)</b>	<b>(26,277)</b>	<b>-</b>	
<b>TOTAL PRIMARY GOVERNMENT.....</b>	<b>\$ 38,696,687</b>	<b>\$ 3,309,679</b>	<b>\$ 10,803,991</b>	<b>\$ 1,226,399</b>	<b>\$ (23,330,341)</b>	<b>\$ (23,356,618)</b>	<b>\$ -</b>	
<b>COMPONENT UNIT:</b>								
Mansfield Discovery Depot, Inc.....	\$ 946,813	\$ 681,735	\$ 282,788	\$ -	\$ -	\$ -	\$ 17,710	
<b>GENERAL REVENUES:</b>								
Property taxes.....					\$ 15,779,448	\$ 15,779,448	\$ -	
Grants and contributions not restricted to specific programs.....					6,769,550	6,769,550	-	
Investment income.....					291,935	291,935	-	
Miscellaneous.....					37,318	42,862	-	
Gain on sale of capital assets.....					3,031	3,031	-	
Transfers.....					(10,000)	10,000	-	
<b>TOTAL GENERAL REVENUES AND TRANSFERS.....</b>					<b>22,871,282</b>	<b>22,886,826</b>	<b>-</b>	
<b>CHANGE IN NET ASSETS.....</b>					<b>(459,059)</b>	<b>(469,792)</b>	<b>17,710</b>	
<b>NET ASSETS - JULY 1, 2002.....</b>					<b>66,620,680</b>	<b>1,335,351</b>	<b>67,956,031</b>	
<b>NET ASSETS - JUNE 30, 2003.....</b>					<b>\$ 66,161,621</b>	<b>\$ 1,324,618</b>	<b>\$ 67,486,239</b>	
							<b>\$ 253,574</b>	

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

**TOWN OF MANSFIELD, CONNECTICUT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2003

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash.....	\$ 105,047	\$	\$	\$ 105,047
Investments.....	2,917,175	4,447,220	2,321,984	9,686,379
Receivables:				
Property taxes - net.....	436,481			436,481
Sewer assessments.....			3,700	3,700
Intergovernmental.....		663,649	85,698	749,347
Loans.....			66,175	66,175
Accounts and other.....	77,725	4,000	9,285	91,010
Due from other funds.....	151,303			151,303
Other.....			8,036	8,036
<b>TOTAL ASSETS.....</b>	<b>\$ 3,687,731</b>	<b>\$ 5,114,869</b>	<b>\$ 2,494,878</b>	<b>\$ 11,297,478</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Cash overdraft.....	\$ 242,328	\$	\$	\$ 242,328
Accounts and other payables.....	1,013,002	905,028	28,012	1,946,042
Accrued liabilities.....	571,728			571,728
Due to other funds.....	254,183		143,823	398,006
Deferred revenue.....	447,005		315,411	762,416
<b>TOTAL LIABILITIES.....</b>	<b>2,528,246</b>	<b>905,028</b>	<b>487,246</b>	<b>3,920,520</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	164,300			164,300
Commitments.....		1,375,889		1,375,889
Debt service.....			899,010	899,010
Perpetual care.....			368,443	368,443
Endowments.....			1,910	1,910
Unreserved, reported in:				
General fund.....	995,185			995,185
Special revenue funds.....			738,321	738,321
Capital projects funds.....		2,833,952		2,833,952
Permanent funds.....			(52)	(52)
<b>TOTAL FUND BALANCES.....</b>	<b>1,159,485</b>	<b>4,209,841</b>	<b>2,007,632</b>	<b>7,376,958</b>
<b>TOTAL LIABILITIES AND FUND BALANCES...</b>	<b>\$ 3,687,731</b>	<b>\$ 5,114,869</b>	<b>\$ 2,494,878</b>	<b>\$ 11,297,478</b>

(Continued)

**TOWN OF MANSFIELD, CONNECTICUT**

RECONCILIATION OF FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2003

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	7,376,958
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets and current additions.....		67,261,990
Depreciation expense.....		(1,531,036)
Disposal of assets.....		(6,969)

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:

Property tax, sewer use and sewer assessment interest and lien accrual.....		155,391
Property tax, sewer use and sewer assessment receivable - accrual basis change.....		456,490
School building grant receivable.....		1,663,937
Allowance for doubtful accounts.....		(16,115)

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF INSURANCE AND MANAGEMENT SERVICES TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....		1,655,482
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SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning long-term liabilities and current year additions.....		(12,249,518)
Long-term liability payments.....		1,411,525
Accrued interest payable.....		(16,514)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>66,161,621</u>
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(Concluded)

## TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Property taxes.....	\$ 15,664,773	\$	\$	\$ 15,664,773
Intergovernmental.....	13,988,519	961,003	3,789,469	18,738,991
Investment income.....	239,331		18,640	257,971
Charges for services.....	674,429		1,354,644	2,029,073
Net increase in fair value of investments.....			11,692	11,692
Contributions.....			105,431	105,431
Other local revenues.....	6,195	13,669	17,454	37,318
<b>TOTAL REVENUES.....</b>	<b>30,573,247</b>	<b>974,672</b>	<b>5,297,330</b>	<b>36,845,249</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	1,256,200		30,711	1,286,911
Public safety.....	2,151,905			2,151,905
Public works.....	2,129,877		90,471	2,220,348
Community services.....	1,348,822		896,850	2,245,672
Community development.....	246,660			246,660
Townwide expenditures.....	1,197,749			1,197,749
Education.....	22,573,932		1,368,245	23,942,177
Capital outlay.....		7,029,215		7,029,215
Debt service.....			1,348,975	1,348,975
<b>TOTAL EXPENDITURES.....</b>	<b>30,905,145</b>	<b>7,029,215</b>	<b>3,735,252</b>	<b>41,669,612</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(331,898)</b>	<b>(6,054,543)</b>	<b>1,562,078</b>	<b>(4,824,363)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets.....	10,000			10,000
Operating transfers in.....	955,090	1,525,352	936,500	3,416,942
Operating transfers out.....	(594,000)		(3,008,942)	(3,602,942)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>371,090</b>	<b>1,525,352</b>	<b>(2,072,442)</b>	<b>(176,000)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>39,192</b>	<b>(4,529,191)</b>	<b>(510,364)</b>	<b>(5,000,363)</b>
<b>FUND BALANCES - JULY 1, 2002.....</b>	<b>1,120,293</b>	<b>8,739,032</b>	<b>2,517,996</b>	<b>12,377,321</b>
<b>FUND BALANCES - JUNE 30, 2003.....</b>	<b>\$ 1,159,485</b>	<b>\$ 4,209,841</b>	<b>\$ 2,007,632</b>	<b>\$ 7,376,958</b>

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

**TOWN OF MANSFIELD, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES  
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (5,000,363)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	6,074,093
Depreciation expense.....	<u>(1,531,036)</u>
<b>Total .....</b>	<b><u>4,543,057</u></b>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets. In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold..... (6,969)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the funds are not reported in the Statement of Activities:

School building grant receipts.....	(436,582)
Increase in property tax and sewer assessment receivable - accrual basis change.....	81,786
Increase in property tax and sewer assessment interest and lien revenue.....	34,432
Increase in property tax and sewer assessment allowance for doubtful accounts.....	<u>(434)</u>
<b>Total .....</b>	<b><u>(320,798)</u></b>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Principal repayments:	
General obligation bonds.....	<u>1,175,000</u>

(Continued)

**TOWN OF MANSFIELD, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003**

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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences.....	\$ (457,758)
Accrued interest payable.....	2,454
Early retirement incentives.....	236,525
Other liability.....	<u>(1,800)</u>
Total .....	<u>(220,579)</u>
Internal Service Funds are used by management to charge costs of insurances and management services to individual departments.....	<u>(650,679)</u>
The net revenue of the activities of the Internal Service Funds is reported with governmental activities.....	<u>22,272</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) .....</b>	<b><u>\$ (459,059)</u></b>

(Concluded)

**TOWN OF MANSFIELD, CONNECTICUT**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Property taxes.....	\$ 15,803,483	\$ 15,803,483	\$ 15,664,773	\$ (138,710)
Intergovernmental.....	13,526,657	13,526,657	13,451,626	(75,031)
Investment income.....	520,000	520,000	239,331	(280,669)
Charges for services.....	645,750	645,750	674,429	28,679
Other local revenues.....	15,200	15,200	6,195	(9,005)
<b>TOTAL REVENUES.....</b>	<b>30,511,090</b>	<b>30,511,090</b>	<b>30,036,354</b>	<b>(474,736)</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government.....	1,258,120	1,248,391	1,248,345	46
Public safety.....	2,127,640	2,147,278	2,146,836	442
Public works.....	2,178,050	2,126,813	2,126,809	4
Community services.....	1,384,070	1,352,109	1,350,537	1,572
Community development.....	254,320	246,392	246,390	2
Townwide expenditures.....	1,225,120	1,331,407	1,197,749	133,658
Education.....	22,429,790	22,429,790	22,150,888	278,902
<b>TOTAL EXPENDITURES.....</b>	<b>30,857,110</b>	<b>30,882,180</b>	<b>✓ 30,467,554</b>	<b>414,626</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES.....</b>	<b>(346,020)</b>	<b>(371,090)</b>	<b>(431,200)</b>	<b>(60,110)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets.....			10,000	10,000
Operating transfers in.....	930,020	955,090	955,090	-
Operating transfers out.....	(584,000)	(584,000)	✓ (594,000)	(10,000)
<b>TOTAL OTHER FINANCING SOURCES...</b>	<b>346,020</b>	<b>371,090</b>	<b>371,090</b>	<b>-</b>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(60,110)</b>	<b>\$ (60,110)</b>
<b>FUND BALANCE - JULY 1, 2002.....</b>			<b>1,055,295</b>	
<b>FUND BALANCE - JUNE 30, 2003.....</b>			<b>\$ 995,185</b>	

30,467,554  
 594,000  
31,061,554

TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2003

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
<u>ASSETS</u>				
Current assets:				
Investments.....	\$ 425,739	\$ 86,870	\$ 512,609	\$ 1,072,622
Accounts receivable.....	41,294	51,279	92,573	165,421
Due from other funds.....			-	258,901
Other.....			-	6,152
Total current assets.....	467,033	138,149	605,182	1,503,096
Noncurrent assets:				
Accounts receivable - net.....	5,689	2,529	8,218	
Capital assets (net of accumulated depreciation):				
Land.....	66,298	8,500	74,798	145,649
Buildings.....		64,248	64,248	123,922
Equipment.....		194,058	194,058	399,152
Pump station.....	2,864		2,864	
Sewer distribution system.....	515,496		515,496	
Total noncurrent assets.....	590,347	269,335	859,682	668,723
TOTAL ASSETS.....	1,057,380	407,484	1,464,864	2,171,819
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	47,605	65,921	113,526	24,139
Accrued claims payable.....			-	480,000
Due to other funds.....			-	12,198
Compensated absences.....		5,344	5,344	
Total current liabilities.....	47,605	71,265	118,870	516,337
Noncurrent liabilities:				
Compensated absences.....		21,376	21,376	
TOTAL LIABILITIES.....	47,605	92,641	140,246	516,337
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt.....	584,658	266,806	851,464	668,723
Unrestricted.....	425,117	48,037	473,154	986,759
TOTAL NET ASSETS.....	\$ 1,009,775	\$ 314,843	\$ 1,324,618	\$ 1,655,482

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

TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
<b>OPERATING REVENUES:</b>				
Sewer charges.....	\$ 178,000	\$ -	\$ 178,000	\$ -
Garbage collection fees.....	-	686,376	686,376	-
Tipping fees.....	-	256,078	256,078	-
Transfer station fees.....	-	102,272	102,272	-
Sale of recyclables.....	-	56,771	56,771	-
Premiums.....	-	-	-	3,629,230
Service fees.....	-	-	-	387,617
Sales.....	-	-	-	39,394
Rental income.....	-	-	-	76,725
Other revenues.....	1,574	3,970	5,544	-
<b>TOTAL OPERATING REVENUES.....</b>	<b>179,574</b>	<b>1,105,467</b>	<b>1,285,041</b>	<b>4,132,966</b>
<b>OPERATING EXPENSES:</b>				
Wages and fringe benefits.....	-	212,956	212,956	177,946
Administrative.....	-	-	-	554,225
Medical claims.....	-	-	-	3,404,516
Workers' compensation.....	-	-	-	250,553
Contract pickup.....	-	330,909	330,909	-
Sewer billings.....	134,589	-	134,589	-
Supplies and services.....	7,979	57,236	65,215	411,855
Dumping fees.....	-	513,068	513,068	-
Bad debt expense.....	959	-	959	-
Depreciation.....	23,304	24,774	48,078	160,550
<b>TOTAL OPERATING EXPENSES.....</b>	<b>166,831</b>	<b>1,138,943</b>	<b>1,305,774</b>	<b>4,959,645</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>12,743</b>	<b>(33,476)</b>	<b>(20,733)</b>	<b>(826,679)</b>
<b>NONOPERATING REVENUES:</b>				
Investment income.....	-	-	-	22,272
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS.....</b>	<b>12,743</b>	<b>(33,476)</b>	<b>(20,733)</b>	<b>(804,407)</b>
<b>OPERATING TRANSFERS IN (OUT):</b>				
Operating transfers in.....	-	10,000	10,000	206,000
Operating transfers out.....	-	-	-	(30,000)
<b>NET OPERATING TRANSFERS IN.....</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>176,000</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>12,743</b>	<b>(23,476)</b>	<b>(10,733)</b>	<b>(628,407)</b>
<b>TOTAL NET ASSETS - JULY 1, 2002 (AS RESTATED).....</b>	<b>997,032</b>	<b>338,319</b>	<b>1,335,351</b>	<b>2,283,889</b>
<b>TOTAL NET ASSETS - JUNE 30, 2003.....</b>	<b>\$ 1,009,775</b>	<b>\$ 314,843</b>	<b>\$ 1,324,618</b>	<b>\$ 1,655,482</b>

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

## TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers.....	\$ 187,389	\$ 1,129,136	\$ 1,316,525	\$ 445,248
Premiums received.....			-	3,896,988
Payments to vendors.....	(110,129)	(921,778)	(1,031,907)	(1,313,169)
Payments for claims.....			-	(3,404,516)
Payments to employees.....		(215,348)	(215,348)	(177,946)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>77,260</b>	<b>(7,990)</b>	<b>69,270</b>	<b>(553,395)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers from other funds.....		10,000	10,000	206,000
Operating transfers to other funds.....			-	(30,000)
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES...</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>	<b>176,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets.....		(100,560)	(100,560)	(116,774)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income.....			-	22,272
<b>NET INCREASE (DECREASE) IN CASH.....</b>	<b>77,260</b>	<b>(98,550)</b>	<b>(21,290)</b>	<b>(471,897)</b>
<b>CASH AND CASH EQUIVALENTS - JULY 1, 2002.....</b>	<b>348,479</b>	<b>185,420</b>	<b>533,899</b>	<b>1,544,519</b>
<b>CASH AND CASH EQUIVALENTS - JUNE 30, 2003.....</b>	<b>\$ 425,739</b>	<b>\$ 86,870</b>	<b>\$ 512,609</b>	<b>\$ 1,072,622</b>
<b>RECONCILIATION TO BALANCE SHEET CASH:</b>				
Cash and cash equivalents per above.....	\$ 425,739	\$ 86,870	\$ 512,609	\$ 1,072,622
Cash equivalents reported as investments.....	(425,739)	(86,870)	(512,609)	(1,072,622)
<b>BALANCE SHEET CASH.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ 12,743	\$ (33,476)	\$ (20,733)	\$ (826,679)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Bad debts expense.....	959		959	
Depreciation.....	23,304	24,774	48,078	160,550
(Increase) decrease in:				
Accounts receivable.....	7,815	23,669	31,484	461,333
Due from other funds.....			-	(258,901)
Other.....			-	6,838
Increase (decrease) in:				
Accounts payable.....	32,439	(20,565)	11,874	10,770
Due to other funds.....			-	(107,306)
Compensated absences.....		(2,392)	(2,392)	
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>\$ 77,260</b>	<b>\$ (7,990)</b>	<b>\$ 69,270</b>	<b>\$ (553,395)</b>

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

**TOWN OF MANSFIELD, CONNECTICUT**

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2003

	POSTEMPLOYMENT HEALTHCARE TRUST FUND	AGENCY FUNDS
<b><u>ASSETS</u></b>		
CASH.....	\$	\$ 55,826
INVESTMENTS, AT FAIR VALUE:		
Money market mutual fund.....	1,077	
Pooled fixed income.....	55,275	499,019
Bond mutual funds.....	38,098	
Equity mutual funds.....	27,578	
TOTAL INVESTMENTS.....	122,028	499,019
ACCOUNTS RECEIVABLE.....		10,560
TOTAL ASSETS.....	122,028	565,405
<b><u>LIABILITY</u></b>		
LIABILITY:		
Accounts payable.....		565,405
<b><u>NET ASSETS</u></b>		
NET ASSETS HELD IN TRUST FOR POSTEMPLOYMENT HEALTHCARE PURPOSES.....	\$ 122,028	\$ -

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2003

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	POSTEMPLOYMENT HEALTHCARE TRUST FUND
<hr/>	
ADDITIONS:	
Contributions:	
Employer.....	\$ 25,000
Investment income:	
Net appreciation in fair value of investments.....	1,137
Interest and dividends.....	2,819
Total investment income.....	3,956
TOTAL ADDITIONS.....	28,956
DEDUCTIONS:	
Benefits.....	10,233
CHANGE IN NET ASSETS.....	18,723
NET ASSETS - JULY 1, 2002.....	103,305
NET ASSETS - JUNE 30, 2003.....	\$ 122,028

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

TOWN OF MANSEFIELD, CONNECTICUTNOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003HISTORY AND ORGANIZATION

The Town of Mansfield, Connecticut (Town) was incorporated in 1702, covers an area of approximately 45.1 square miles, and has been the home of the University of Connecticut since 1881.

The Town of Mansfield operates under the provisions of its Charter and the General Statutes of the State of Connecticut. The legislative power of the Town is vested in a Town Council and the Town Meeting. The Town Manager, who is the chief executive officer, superintends the concerns of the Town. The Town Council is responsible for presenting fiscal operating budgets to the Town Meeting for approval. The Board of Education is responsible for the operation of the school system.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support; likewise, the *primary government* is reported separately from the legally separate *component unit* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

Discretely Presented Component Unit

The Mansfield Discovery Depot, Inc. is included in the Town's Comprehensive Annual Financial Report as a discretely presented component unit since the Depot is financially accountable to the Town since the Town Council has approval authority over budget increases in excess of \$10,000. The organization is reported in a separate column to emphasize that it is legally separate from the Town. The agency appoints its own board, of which two of the members are also members of the Town Council. Mansfield Discovery Depot, Inc. accounts for federal and state funds, local contributions and participants' fees for the operation of a child day care center.

The Town of Mansfield is the designated Local Agency pursuant to a Master Contract with the State of Connecticut, dated May 17, 1974, between the Town and the State of Connecticut. Under the terms of the Master Contract, the Town has entered into a Delegate Agency Contract with Mansfield Discovery Depot, Inc. to carry out the program. The facilities in which Mansfield Discovery Depot, Inc. operates are owned by the Town, and the operations of the child day care center benefit primarily Town residents.

Mansfield Discovery Depot, Inc. does not issue separate audited financial statements.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, expenditure-type reimbursement grants, certain intergovernmental revenues, operating transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The government reports the following major proprietary fund:

The *Sewer Operating Fund* accounts for the activities of the Town's sewer operations.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* account for risk financing activities for insurance benefits as allowed by GASB Statement No. 10 and for management services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The *Postemployment Healthcare Trust Fund* accounts for the accumulation of resources to pay retiree medical benefits.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town also has the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's sewer operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer operating enterprise fund, of the solid waste disposal enterprise fund, and of the Town's internal service funds are charges to customers for sales and services. The sewer operating fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Component Unit - The Mansfield Discovery Depot, Inc. is accounted for using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recognized when a liability is incurred.

**C. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

Deposits - The Town's and the component unit's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - Both the Town and the component unit's eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (continued)**

**1. Deposits and Investments (continued)**

Investments for the Town and the component unit are reported at fair value. State Treasures Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. The balance of the fixed income investments were invested in SEC registered pools.

**2. Receivables and Payables**

**a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**b. Property Taxes and Other Receivables**

In the government-wide financial statements, all property tax, sewer use, sewer assessment, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 9 percent of outstanding receivable balances at June 30, 2003, and are calculated based upon prior collections.

In the fund financial statements property tax revenues are recognized when levied to the extent that they become available. Available means collected within the current fiscal year or within 60 days after the end of the fiscal year. Property taxes not expected to be collected during the available period are recorded as deferred revenue.

Property taxes become an enforceable lien on October 1. Aggrieved parties may appeal to the Board of Tax Review, which must hear their petition during the month of February, following the lien date. The Board of Tax Review must render a final opinion no later than March 15. Property taxes are levied on July 1 and are due and payable in two installments; July 1 for the first half and January 1 for the second half. Property taxes receivable, net of an allowance for uncollectibles, are recorded as of the levy date. All bills under \$50 are due in full July 1. Motor vehicle taxes are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Certificates of continuing lien are filed against delinquent real estate taxes within the first year after the first installment of the tax. Real property valuations are established by the Assessor's office and reflect 70 percent of 1993 fair market values. Motor vehicle valuations reflect 70 percent of current retail value on the assessment date.

Loan receivables consist of Community Development Block Grant loans. The Town provides low interest loans for residential rehabilitation.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (continued)**

**3. Restricted Assets**

The Cemetery and Local School funds are restricted to expenditure of the investment income only for the donor-designated purpose.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities' columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-75
Improvements other than buildings	15-35
Equipment	5-50
Roads	80-100
Bridges	75
Pump station	15
Sewer lines	50
Rolling stock - vehicles	8-25

**5. Compensated Absences**

A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Unused sick leave may be accumulated for certain employees up to 180 days, until termination, retirement or death at which time payments will be made. Certain employees of the Board of Education may elect to retire early, in which case annual compensation will be one-fifth of the employee's salary at the time of retirement payable for a maximum of five consecutive years.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Net Assets or Equity (continued)**

**6. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**7. Fund Equity and Net Assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes is excluded.

Restricted Net Assets

This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets

This category represents the net assets of the Town which are not restricted.

**8. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

**9. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

Budget Policies - The procedures for establishing the budgetary data reported in the financial statements are as follows:

- The Town legally adopts an annual budget for the General Fund and Capital Nonrecurring Special Revenue Fund. Formal budgetary integration is employed by the Town Council as a management control device during the year for the General Fund. A budgetary comparison on a legal basis has been included in the appropriate financial statements and schedules, and budgetary to GAAP reporting reconciliations have been provided in Note II. B., Budget - GAAP Reconciliation.

The Capital Projects Fund employs a project length budget, which is approved by the Annual Town Meeting.

- Prior to March 1, each department head, office, agency, board or commission of the Town, supported wholly or in part from Town funds, shall submit budget requests in the form requested by the Town Manager so as to indicate the programs, activities, and work accomplished in the current fiscal year and to be accomplished during the ensuing year. These shall be accompanied by detailed estimates of expenditures to be made and of revenues other than taxes to be collected during the ensuing fiscal year, along with such other information as may be requested by the Council or the Manager.
- Prior to April 1, the Town Manager shall present to the Council a budget consisting of:
  1. a budget message outlining the financial situation of the Town government and describing the important features of the budget plan;
  2. the budget of the Board of Education as submitted to the Manager, along with whatever analysis or comments the Manager wishes to provide;
  3. statements of the Manager's proposed operating program and expenditures for the Town functions and Town-supported functions, other than those of the Board of Education, along with comparisons of amounts expended in the last completed fiscal year and estimated amounts to be expended in the current fiscal year;
  4. information on amounts of revenue other than property taxes collected, by source, in the last completed fiscal year, estimates for the current and for the ensuing year, along with information and estimates regarding property tax revenues for the same periods;
  5. statements of the condition and estimated condition of the Town's funds and of the debt service obligations of the Town, proposed capital improvements to be undertaken during the ensuing fiscal year or later years, and the proposed methods of financing them; and
  6. such other information as will assist the Council and the Town Meeting in deciding on an annual appropriation and a capital improvements program.
- The Council shall hold at least one public hearing on the budget during the month of April and shall adopt a proposed budget, including a recommended appropriation act, by May 1, which shall be published in a newspaper in general circulation in the Town at least five days prior to the annual Town Meeting for budgeting consideration.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgets and Budgetary Accounting (continued)**

- An annual Town Meeting for budget consideration shall be held on the second Tuesday in May. This meeting shall consider the budget presented to it by the Council and may approve or lower any item, but may not raise the amount of such item. If the annual Town Meeting fails to adopt a budget, the budget will be returned to the Council for its consideration. The Council shall return the same or a revised budget to a Town Meeting called by the Council for a date no later than ten days after the annual meeting, at which the Town Meeting may approve or lower any item. Should the Town Meeting then fail or refuse to adopt a budget, the budget appropriation last proposed by the Council shall be in full effect.
- The level at which expenditures may not legally exceed appropriations without Council and/or Town Meeting approval is at the department level for the General Fund and at the fund level for the Special Revenue Fund. Management cannot legally amend or make additional appropriations once the budget has been approved. Transfers between departments or new appropriations up to .5 percent of the annual budget may be made by the Council. Transfers between departments or new appropriations in amounts between .5 percent and 1 percent of the annual budget may be approved by consecutive actions of the Council and a Town Meeting, which shall be called by the Council following its action on the new spending proposal.

An appropriation of over 1 percent of the annual budget for an additional expenditure at the department level not provided for in the annual budget may be approved by consecutive favorable actions of the Council and a referendum of the electors of the Town at a special or regular election of the Town, as one or the other may be determined by the Council. There were additional appropriations to the General Fund budget of \$25,070 from revised revenue estimates.

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Town Council and, if necessary, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbered appropriations in the general fund are not reappropriated in the ensuing year's budget, but are carried forward.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**B. Budget - GAAP Reconciliation**

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	<u>GENERAL FUND</u>		
	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
Balance - Budgetary Basis, Exhibit F - June 30, 2003 .....	\$ 30,036,354	\$ 30,467,554	\$ 995,185
Encumbrances outstanding at June 30, 2002, liquidated during the year ended June 30, 2003 .....		64,998	
Encumbrances outstanding at June 30, 2003, charged to budgetary expenditures during the year ended June 30, 2003 .....		( 164,300)	164,300
Teachers' Retirement System on-behalf payment .....	536,893	536,893	
Balance - GAAP Basis Exhibit D - June 30, 2003 .....	<u>\$ 30,573,247</u>	<u>\$ 30,905,145</u>	<u>\$ 1,159,485</u>

**C. Donor Restricted Endowments**

The Town has received certain endowments for the maintenance and improvement of cemeteries and local schools. The amounts are reflected in net assets as restricted for other purposes. Investment income (including appreciation) is approved for expenditure by the individual Boards responsible for each fund.

**D. Deficit Fund Equity**

The following individual funds had deficit fund balances at June 30, 2003:

<u>Special Revenue Funds</u>	
Capital nonrecurring fund .....	\$ 3,466
Town aid road .....	2,554
 <u>Internal Service Fund:</u>	
Workers' compensation insurance .....	12,198

The deficits should be reduced in future years as additional operating transfers are received from the general fund, additional grants are received and additional charges for services are billed, respectively.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES**

**A. Cash and Investments**

1. Deposits - At June 30, 2003, the carrying amount (net of the bank overdraft) of the Town's deposits (including the Mansfield Discovery Depot, Inc.) was \$(81,255) and the bank balance was \$366,741. Of the bank balance, \$161,168 was covered by Federal Depository Insurance and \$30,557 was collateralized, based upon the calculation prescribed by P.A. 91-245, at risk category 3.

Risk category 3 is defined as collateral held by the pledging financial institution, or by its trust department or agent, but not in the Town's name. The balance of deposits of \$175,016 was uninsured and uncollateralized. In the event that a financial institution becomes insolvent and is placed under FDIC receivership, this collateral is subject to the FDIC requirements for perfecting security interests under Federal law. In the opinion of the Connecticut State Attorney General, these requirements have not been met.

Due to significantly higher cash flows at certain times of the year, the amount of the Town's deposits that were in risk category 3 was substantially higher than at year end.

2. Investments - The investments classified under risk category 3 are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

At June 30, 2003, the Town's investments (including the component unit) consisted of the following:

	<u>FAIR VALUE</u>	<u>RISK CATEGORY</u>
Pooled fixed income.....	\$ 11,404,549	*
Money market mutual funds .....	47,533	*
Bond mutual funds .....	238,677	*
Equity mutual funds .....	400,918	*
U.S. treasury notes .....	<u>65,953</u>	3
TOTAL .....	<u>\$ 12,157,630</u>	

\* Not applicable, since the Town does not own identifiable securities, but invests as a shareholder of the investment pool. All investment pools are SEC registered.

Of the \$11,404,549 of Town pooled fixed income, \$11,275,547 was invested in Short Term Investment Fund (STIF). STIF is an investment pool managed by the State of Connecticut Office of the State Treasurer. The balance was invested in SEC registered pools.

At June 30, 2003, the carrying amount of the Mansfield Discovery Depot, Inc. was \$264,973 and is part of the Town's pooled fixed income account, Short Term Investment Fund (STIF).

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

B. Receivables

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	<u>PROPERTY TAXES</u>		
	<u>TAXES</u>	<u>INTEREST &amp; LIEN FEES</u>	<u>TOTAL</u>
Current Portion .....	\$ 229,153	\$ 64,613	\$ 293,766
Long-term Portion .....	\$ 247,328	\$ 90,778	\$ 338,106
Less Allowance for Uncollectibles .....	( 40,000)	( 14,717)	( 54,717)
Net Long-term Portion .....	<u>\$ 207,328</u>	<u>\$ 76,061</u>	<u>\$ 283,389</u>

	<u>SEWER USE CHARGES</u>			<u>SEWER ASSESSMENT</u>	<u>CDBG LOANS</u>
	<u>USE CHARGES</u>	<u>INTEREST &amp; LIEN FEES</u>	<u>TOTAL</u>		
Current Portion .....	\$ 40,833	\$ 461	\$ 41,294	\$	\$ 5,430
Long-term Portion .....	\$ 6,579	\$ 69	\$ 6,648	\$ 3,700	\$ 60,745
Less Allowance for Uncollectibles .....	( 948)	( 11)	( 959)	( 74)	( 1,324)
Net Long-term Portion .....	<u>\$ 5,631</u>	<u>\$ 58</u>	<u>\$ 5,689</u>	<u>\$ 3,626</u>	<u>\$ 59,421</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

DEFERRED REVENUE:

Delinquent property taxes receivable (general fund) .....	\$ 386,615
Special assessments not yet due (special revenue fund).....	3,700
Loan receivable not yet earned (special revenue fund).....	66,175

UNEARNED REVENUE:

Advance tax collections (general fund) .....	60,390
Unearned revenue on park and recreation fees (special revenue fund).....	235,694
Grant draw downs prior to meeting all eligibility requirements (special revenue fund).....	<u>9,842</u>

TOTAL DEFERRED AND UNEARNED REVENUE FOR GOVERNMENTAL FUNDS.....	<u>\$ 762,416</u>
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TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2003 was as follows:

**Primary Government**

	BALANCE JULY 1, 2002 (AS RESTATED)	INCREASES	DECREASES	BALANCE JUNE 30, 2003
<b>Governmental Activities:</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land .....	\$ 3,876,478	\$ 39,794	\$	\$ 3,916,272
Construction in progress.....	4,960,829	5,531,162	3,240,340	7,251,651
Total Capital Assets, not being Depreciated.....	8,837,307	5,570,956	3,240,340	11,167,923
<b>Capital Assets, being Depreciated:</b>				
Land improvements .....		776,646		776,646
Buildings.....	22,326,609	2,569,564		24,896,173
Improvements other than buildings.....	179,846	26,870		206,716
Machinery and equipment .....	2,402,392	288,861	40,518	2,650,735
Vehicles .....	2,209,526	48,310		2,257,836
Infrastructure.....	46,588,229	150,000		46,738,229
Total Capital Assets, being Depreciated .....	73,706,602	3,860,251	40,518	77,526,335
<b>Less Accumulated Depreciation for:</b>				
Land improvements .....		12,944		12,944
Buildings.....	7,210,189	653,376		7,863,565
Improvements other than buildings.....	111,812	10,088		121,900
Machinery and equipment .....	1,341,854	277,300	33,549	1,585,605
Vehicles .....	737,762	153,077		890,839
Infrastructure.....	11,241,896	584,801		11,826,697
Total Accumulated Depreciation .....	20,643,513	1,691,586	33,549	22,301,550
Total Capital Assets, being Depreciated, net .....	53,063,089	2,168,665	6,969	55,224,785
Governmental Activities Capital Assets, net .....	\$ 61,900,396	\$ 7,739,621	\$ 3,247,309	\$ 66,392,708
<b>Business-Type Activities:</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land .....	\$ 74,798	\$	\$	\$ 74,798
<b>Capital Assets, being Depreciated:</b>				
Buildings.....	139,625			139,625
Equipment.....	366,746	100,560	66,074	401,232
Pump station .....	31,594			31,594
Sewer distribution system.....	1,152,126			1,152,126
Total Capital Assets, being Depreciated .....	1,690,091	100,560	66,074	1,724,577
<b>Less Accumulated Depreciation for:</b>				
Buildings.....	66,834	8,543		75,377
Equipment.....	257,017	16,231	66,074	207,174
Pump station .....	26,371	2,359		28,730
Sewer distribution system.....	615,685	20,945		636,630
Total Accumulated Depreciation .....	965,907	48,078	66,074	947,911
Total Capital Assets, being Depreciated, net .....	724,184	52,482		776,666
Business-Type Activities Capital Assets, net.....	\$ 798,982	\$ 52,482	\$ --	\$ 851,464

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets (continued)**

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

<u>Governmental Activities:</u>	
General government .....	\$ 106,287
Public safety .....	21,211
Public works .....	723,880
Community services .....	155,567
Education .....	524,091
Capital assets held by government's internal service funds are charged to the various functions based on their usage of the assets .....	<u>160,550</u>
Total Depreciation Expense - Governmental Activities.....	<u>\$ 1,691,586</u>
<u>Business-type Activities:</u>	
Sewer.....	\$ 23,304
Solid waste.....	<u>24,774</u>
Total Depreciation Expense - Business-Type Activities.....	<u>\$ 48,078</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2003. The projects include the Community Center. At year end, the Town's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Community Center.....	<u>\$ 1,375,889</u>

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts**

**1. Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2003 is as follows:

<u>MAJOR FUNDS:</u>	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<b>GENERAL FUND:</b>			
Capital nonrecurring fund.....	N/A	\$ 3,466	\$
Town aid road .....	N/A	2,379	
Community development fund .....	N/A	58,172	
Cemetery fund .....	N/A	75,088	
Health insurance .....	N/A		254,183
Workers' compensation insurance .....	N/A	<u>12,198</u>	
<b>TOTAL GENERAL FUND .....</b>		<u>151,303</u>	<u>254,183</u>
<b>NONMAJOR FUNDS:</b>			
<b>SPECIAL REVENUE FUNDS:</b>			
Capital nonrecurring fund.....	General Fund		3,466
School cafeteria fund.....	Health Insurance		4,718
Town aid road .....	General Fund		2,379
Community development fund .....	General Fund		<u>58,172</u>
<b>TOTAL SPECIAL REVENUE FUNDS .....</b>			<u>68,735</u>
<b>PERMANENT FUND:</b>			
Cemetery fund .....	General Fund		<u>75,088</u>
<b>TOTAL NONMAJOR FUNDS.....</b>			<u>143,823</u>
<b>INTERNAL SERVICE FUNDS:</b>			
Health insurance:			
General fund.....	N/A	254,183	
School cafeteria fund.....	N/A	4,718	
Workers' compensation insurance .....	General Fund		<u>12,198</u>
<b>TOTAL INTERNAL SERVICE FUNDS .....</b>		<u>258,901</u>	<u>12,198</u>
<b>GRAND TOTAL.....</b>		<u>\$ 410,204</u>	<u>\$ 410,204</u>

All interfund balances resulted from the time lag between the date payments occurred between funds for various activities.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (continued)**

**2. Interfund Transfers**

	CORRESPONDING <u>FUND</u>	TRANSFERS <u>IN</u>	TRANSFERS <u>OUT</u>
<u>MAJOR FUNDS:</u>			
<u>GENERAL FUND:</u>			
Capital nonrecurring fund .....	N/A	\$ 897,590	\$
Recreation program fund .....	N/A		72,500
Other operating funds.....	N/A		91,500
School cafeteria fund.....	N/A	2,500	20,000
Town aid road .....	N/A	25,000	
Bond fund .....	N/A		400,000
Workers' compensation insurance .....	N/A	30,000	
Solid waste disposal .....	N/A		<u>10,000</u>
TOTAL GENERAL FUND.....		<u>955,090</u>	<u>594,000</u>
<u>CAPITAL PROJECTS FUND:</u>			
Capital nonrecurring fund .....	N/A	1,488,916	
Other operating funds.....	N/A	<u>36,436</u>	
TOTAL CAPITAL PROJECTS FUND .....		<u>1,525,352</u>	
<u>NONMAJOR FUNDS:</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
<u>Capital nonrecurring fund:</u>			
General fund.....	N/A		897,590
Capital projects .....	N/A		1,488,916
Recreation program fund.....	N/A		65,000
Other operating funds.....	N/A		37,500
Bond fund .....	N/A		250,000
Management services .....	N/A		206,000
<u>Recreation program fund:</u>			
General fund.....	N/A	72,500	
Capital nonrecurring fund .....	N/A	65,000	
<u>Other operating funds:</u>			
General fund.....	N/A	91,500	
Capital nonrecurring fund .....	N/A	37,500	
Capital projects .....	N/A		36,436
School cafeteria fund.....	General Fund	20,000	2,500
Town aid road .....	General Fund		<u>25,000</u>
TOTAL SPECIAL REVENUE FUNDS .....		<u>286,500</u>	<u>3,008,942</u>
<u>DEBT SERVICE FUND:</u>			
<u>Bond fund:</u>			
General fund.....	N/A	400,000	
Capital nonrecurring fund .....	N/A	<u>250,000</u>	
TOTAL DEBT SERVICE FUND .....		<u>650,000</u>	
TOTAL NONMAJOR FUNDS.....		<u>936,500</u>	<u>3,008,942</u>
<u>ENTERPRISE FUND:</u>			
Solid waste disposal .....	General Fund	<u>10,000</u>	

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (continued)**

**2. Interfund Transfers (continued)**

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
INTERNAL SERVICE FUNDS:			
	Capital		
Management services .....	Nonrecurring Fund	\$ 206,000	\$
Workers' compensation insurance .....	General Fund		30,000
TOTAL INTERNAL SERVICE FUNDS.....		<u>206,000</u>	<u>30,000</u>
GRAND TOTAL.....		<u>\$ 3,632,942</u>	<u>\$ 3,632,942</u>

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

**E. Changes in Long-Term Obligations**

**1. Summary of Changes**

The following is a summary of changes in long-term obligations during the fiscal year:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE			CURRENT PORTION
					JULY 1, 2002	ADDITIONS	DEDUCTIONS	
BONDS:								
General Purpose:								
Improvement bond	\$ 225,000	10/15/89	06/15/07	6.75%-6.8%	\$ 65,000	\$ 15,000	\$ 50,000	\$ 15,000
Improvement bond	1,765,000	06/15/92	06/15/05	5.0%-7.0%	465,000	175,000	290,000	175,000
Improvement bond	1,000,000	06/15/99	06/15/14	4.05%-5.5%	850,000	75,000	775,000	75,000
Improvement bond	2,500,000	06/01/01	06/15/16	4.0%-5.0%	<u>2,500,000</u>	150,000	2,350,000	150,000
Total General Purpose					<u>3,880,000</u>	-	415,000	415,000
Schools:								
Improvement bond	4,265,000	06/15/85	06/15/03	7.5%-7.6%	225,000	225,000		
Improvement bond	4,775,000	10/15/89	06/15/09	6.75%-6.8%	1,635,000	285,000	1,350,000	285,000
Improvement bond	2,525,000	06/15/90	06/15/09	6.5%-8.0%	875,000	150,000	725,000	150,000
Improvement bond	1,300,000	06/15/99	06/15/14	4.05%-5.5%	<u>1,100,000</u>	100,000	1,000,000	100,000
Total Schools .....					<u>3,835,000</u>	-	760,000	535,000
TOTAL BONDS .....					7,715,000	1,175,000	6,540,000	950,000
ACCRUED COMPENSATED ABSENCES.....					3,317,465	457,758	3,775,223	755,045
EARLY RETIREMENT INCENTIVE .....					699,495		236,525	462,970
OTHER .....					<u>58,000</u>	1,800	<u>59,800</u>	
TOTAL GENERAL LONG-TERM OBLIGATIONS .....					<u>\$11,789,960</u>	<u>\$ 459,558</u>	<u>\$1,411,525</u>	<u>\$10,837,993</u>
							<u>\$1,905,097</u>	

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations (continued)**

**1. Summary of Changes (continued)**

Summary of Debt Service Requirements to Maturity

The annual requirements to amortize serial bonds outstanding at June 30, 2003, are as follows:

SCHOOLS							
YEAR ENDING JUNE 30	PRINCIPAL	STATE REIMBURSE- MENT	NET PRINCIPAL PAYMENTS TO MATURITY	INTEREST	STATE REIMBURSE- MENT	NET INTEREST PAYMENTS TO MATURITY	NET DEBT SERVICE TO MATURITY
2004	\$ 535,000	\$ 296,025	\$ 238,975	\$ 184,128	\$ 89,672	\$ 94,456	\$ 333,431
2005	535,000	296,025	238,975	149,472	70,362	79,110	318,085
2006	510,000	279,374	230,626	115,693	51,004	64,689	295,315
2007	495,000	262,724	232,276	83,537	32,738	50,799	283,075
2008	350,000	164,663	185,337	53,228	16,131	37,097	222,434
2009	235,000	99,289	135,711	32,677	5,930	26,747	162,458
2010	85,000		85,000	19,495		19,495	104,495
2011	85,000		85,000	15,628		15,628	100,628
2012	85,000		85,000	11,717		11,717	96,717
2013	80,000		80,000	7,680		7,680	87,680
2014	80,000		80,000	3,840		3,840	83,840
	<u>\$ 3,075,000</u>	<u>\$ 1,398,100</u>	<u>\$ 1,676,900</u>	<u>\$ 677,095</u>	<u>\$ 265,837</u>	<u>\$ 411,258</u>	<u>\$ 2,088,158</u>

GENERAL PURPOSE					
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL	TOTAL NET DEBT SERVICE TO MATURITY	EARLY RETIREMENT INCENTIVE
2004	\$ 415,000	\$ 157,761	\$ 572,761	\$ 906,192	\$ 200,052
2005	355,000	136,302	491,302	809,387	139,736
2006	240,000	119,458	359,458	654,773	67,622
2007	230,000	109,325	339,325	622,400	55,560
2008	225,000	99,798	324,798	547,232	
2009	215,000	90,534	305,534	467,992	
2010	290,000	81,493	371,493	475,988	
2011	290,000	69,085	359,085	459,713	
2012	290,000	56,420	346,420	443,137	
2013	295,000	43,208	338,208	425,888	
2014	295,000	29,497	324,497	408,337	
2015	225,000	15,562	240,562	240,562	
2016	100,000	4,875	104,875	104,875	
	<u>\$ 3,465,000</u>	<u>\$ 1,013,318</u>	<u>\$ 4,478,318</u>	<u>\$ 6,566,476</u>	<u>\$ 462,970</u>

All long-term liabilities, except bonds, are generally liquidated by the General Fund.

On February 15, 2004, the Town issued \$4,255,000 of general obligation refunding bonds, bearing interest of 1.32% to 5%, maturing June 1, 2014.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**E. Changes in Long-Term Obligations (Continued)**

**1. Summary of Changes (continued)**

State Reimbursement

Amounts in the State reimbursement columns are projected school construction grants to be received in the years subsequent to June 30, 2003, and represent principal and interest subsidies from the State of Connecticut.

Overlapping and Underlying Indebtedness

Mansfield is a member of Regional School District No.19, along with the towns of Ashford and Willington.

	AMOUNT OF AUTHORIZED BUT UNISSUED DEBT	AMOUNT OF OUTSTANDING DEBT	APPLICABLE GRANTS RECEIVABLE	NET DEBT OUTSTANDING	APPLICABLE % OF NET DEBT CHARGED TO TOWN	TOWN NET OVERLAPPING DEBT
Regional School District No.19	\$	\$25,150,000	\$17,570,741	\$ 7,579,259	55.49%	\$ 4,205,731

**2. Statutory Debt Limitations**

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
General purpose	\$ 34,862,173	\$ 3,465,000	\$ 31,397,173
Schools	69,724,346	5,882,631	63,841,715
Sewers	58,103,621		58,103,621
Urban renewal	50,356,472		50,356,472
Pension deficit	46,482,897		46,482,897

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$108,460,093.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,398,100 for bond principal are reflected as deductions in the computation of net indebtedness.

**3. Authorized/Unissued Bonds**

At June 30, 2003, the Town had no bonds authorized and unissued.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to public officials and police liability, Board of Education liability, torts, theft of, damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. Except for medical insurance, the Town purchases commercial insurance for all risks of loss. Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The Mansfield Health Insurance Fund (the Fund), which has been recorded as an Internal Service Fund, was established to provide hospitalization and medical-surgical health coverage for all Town, Regional School District No. 19 and Mansfield Discovery Depot, Inc. employees. The fund is substantially funded by the Town's general fund and region 19 based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The program's general objectives are to formulate on behalf of the members a health insurance program at lower costs of coverage and to develop a systematic method to control health costs.

A third party administers the plan for which the Fund pays a fee. The Fund has purchased aggregate stop loss coverage at 125 percent of expected claims and individual stop loss coverage of \$100,000 per claim.

The claims liability reported in the Fund at June 30, 2003, is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability for the health insurance fund is as follows:

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	CLAIMS PAYABLE <u>JUNE 30</u>
2001-02.....	\$ 480,000	\$3,084,302	\$3,084,302	\$ 480,000
2002-03.....	480,000	3,404,516	3,404,516	480,000

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (continued)**

The Town, including Mansfield Discovery Depot, Inc., is also a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in coverage period 2002-03 will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Payments to the Workers' Compensation Pool are made through the workers' compensation insurance fund, which has been recorded as an internal service fund. This fund's general objectives are to formulate a systematic method to control premium costs.

**B. Commitments and Litigation**

The Town of Mansfield, Connecticut, its officers, employees, boards and commissions are defendants in a number of lawsuits. It is the opinion of the Town Attorney that pending actions will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position.

The Town has received financial assistance from numerous Federal and State agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, liabilities resulting from disallowed claims, if any, will not have a material effect on the Town's financial statements.

**C. Pension Plans**

**1. Municipal Employees' Retirement Fund**

**a. Plan Description**

All Town employees participate in the Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. The Pension Commission makes recommendations for plan provisions which are approved by the Board of Finance. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report which may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

**b. Plan Provisions**

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All benefits vest after 10 years of continuous service. Members who retire after age 55 with 10 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (continued)**

**1. Municipal Employees' Retirement Fund (continued)**

**c. Funding Policy**

Covered employees are required by State Statute to contribute 2 1/4% of earnings upon which Social Security tax is paid, plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan.

The required and actual contributions for the years ended June 30, 2001, 2002 and 2003 were \$159,294, \$177,693 and \$119,466, respectively.

**2. Postemployment Healthcare Trust Fund**

**a. Plan Description**

Summary

The Town administers a Postemployment Healthcare Plan. The plan is included in the financial statements as a postemployment healthcare trust fund. The plan does not issue a stand alone financial report. Plan contribution requirements and benefits are established by collective bargaining agreements with Local 531 (police) employees, Local 760 employees, public works employees and nonunion administrative employees.

**i. Classes of Employees Covered**

The Postemployment Healthcare Trust Fund membership consisted of 87 active employees at June 30, 2003.

**ii. Benefit Provisions**

Employees covered by the above agreements are eligible for benefits when they retire from the Town, on or after attaining the age of 55 years, or upon completing 25 years of aggregate service provided such employee has had ten years of continuous service or fifteen years of aggregate service, or upon receiving a disability retirement under MERS B. Effective July 1, 1991, the benefit the Town would have paid eligible employees toward the cost of medical insurances was the greater of 35% of single premium on PPO plan or \$75 per month, \$100 per month for police retirees. Currently, there are 12 employees who meet the eligibility requirements and have begun to collect this benefit.

**b. Summary of Significant Accounting Policies**

**i. Basis of Accounting**

The Postemployment Healthcare Trust Fund's financial statements are prepared on the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits) are recognized when they are incurred.

TOWN OF MANSFIELD, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (continued)**

**2. Postemployment Healthcare Trust Fund (continued)**

**b. Summary of Significant Accounting Policies (continued)**

ii. Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. There are no investments in any organization that represent 5% or more of net assets available for benefits.

**c. Contributions**

i. Employer

The Town's contribution is funded on an annual basis by general fund appropriations.

ii. Employee

There is no required participant contribution.

**D. On-Behalf Payments**

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the Town's teachers to the Connecticut State Teachers' Retirement System was \$536,893.

**E. Restatements**

As of July 1, 2002, the Town has implemented the following Governmental Accounting Standards Board pronouncements:

- GASB Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*
- GASB Statement No. 36 - *Recipient Reporting for Certain Shared Nonexchange Revenues - An Amendment of GASB No. 33*
- GASB Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*
- GASB Statement No. 38 - *Certain Financial Statement Note Disclosures*

These pronouncements define the new financial reporting requirements for state and local governments.

TOWN OF MANSFIELD, CONNECTICUT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**E. Restatements (continued)**

As a result of implementing these pronouncements, the following restatements were made to the beginning fund balance and net asset balances as of July 1, 2002:

**Governmental Fund Financial Statements**

Fund Balance as of June 30, 2002 .....	\$ 11,999,142
Add: Reclassification of certain nonexpendable trust funds to permanent funds .....	<u>378,179</u>
Fund Balance as of July 1, 2002 .....	<u>\$ 12,377,321</u>

**Government-Wide Financial Statements**

Beginning net assets for governmental activities was determined as follows:

Fund Balances of General, Special Revenue, Debt Service, Capital Projects and Permanent Funds as of June 30, 2002 .....	\$ 12,377,321
Add: Governmental Capital Assets (including infrastructure), net of accumulated depreciation as of June 30, 2002 .....	61,187,897
Add: Internal Service Funds net assets as of June 30, 2002 .....	2,283,889
Add: Deferred revenues for property taxes and other receivables and recording of receivables for property tax interest and liens, net of allowance for uncollectible.....	<u>2,580,501</u>
Deduct: Bonds payable and other long-term liabilities outstanding as of June 30, 2002 .....	( 11,789,960)
Deduct: Accrued interest payable on long-term obligations.....	<u>( 18,968)</u>
Net Assets as of July 1, 2002 .....	<u>\$ 66,620,680</u>

**Business-Type Activities**

Beginning net assets for business-type activities was adjusted as follows:

Retained Earnings of proprietary funds as of June 30, 2002 .....	\$ 1,421,432
Adjustment to correct accumulated depreciation as of June 30, 2002 .....	<u>( 86,081)</u>
Business-Type Activities Net Assets as of June 30, 2002 .....	<u>\$ 1,335,351</u>

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# Supplemental Schedules

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# General Fund

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The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2003 AND 2002

	2003	2002	2003	2002
<b>ASSETS</b>				
Cash.....	\$ 105,047	\$ 44,570	\$ 242,328	\$ 768,391
Investments.....	2,917,175	3,104,658		
Property taxes (less allowance for uncollectible taxes - \$40,000).....	436,481	335,327	169,018	619,979
Accounts receivable:			399,850	319,472
Intergovernmental.....		95,000	382,269	178,799
Other.....	77,725	38,618	61,865	45,046
Total accounts receivable.....	77,725		1,013,002	1,163,296
Total accounts receivable.....	77,725	133,618	571,728	511,246
Due from other funds:			254,183	
Due from special revenue funds.....	64,017	134,771	60,390	54,884
Due from internal service funds.....	12,198	119,504	386,615	305,961
Due from trust funds.....	75,088	51,623		
Total due from other funds.....	151,303	305,898	447,005	360,845
TOTAL ASSETS.....	\$ 3,687,731	\$ 3,924,071	2,528,246	2,803,778
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
Cash over/short.....				
Accounts and other payables:				
Accounts payable.....				
Payroll deductions.....				
Escrow deposits.....				
Due to State of Connecticut.....				
Total accounts and other payables.....				
Accrued liabilities.....				
Due to other funds.....				
Deferred revenue:				
Advance tax collections.....				
Property taxes.....				
Total deferred revenue.....				
TOTAL LIABILITIES.....				
<b>FUND BALANCE:</b>				
Reserved for encumbrances.....				
Unreserved and undesignated.....				
TOTAL FUND BALANCE.....				
TOTAL LIABILITIES AND FUND BALANCE.....	\$ 3,687,731	\$ 3,924,071	\$ 3,687,731	\$ 3,924,071

SCHEDULE 2

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND

SCHEDULE OF CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	\$
FUND BALANCE - JULY 1, 2002.....					1,055,295
REVENUES AND TRANSFERS IN:					
Total revenues and transfers in.....	\$ 31,441,110	\$ 31,466,180	\$ 31,001,444	\$ (464,736)	
EXPENDITURES AND TRANSFERS OUT:					
Town.....	\$ 8,945,320	\$ 8,970,390	\$ 8,844,666	\$ 125,724	
Mansfield board of education.....	15,351,930	15,351,930	15,073,032	278,898	
Contribution to Region No.19 board of education.....	7,143,860	7,143,860	7,143,856	4	
TOTAL EXPENDITURES AND TRANSFERS OUT.....	\$ 31,441,110	\$ 31,466,180	\$ 31,061,554	\$ 404,626	
DEFICIENCY OF REVENUES AND TRANSFERS IN OVER EXPENDITURES AND TRANSFERS OUT.....				(60,110)	
FUND BALANCE - JUNE 30, 2003.....					\$ 995,185
FUND BALANCE: Unreserved and undesignated.....					\$ 995,185

**TOWN OF MANSFIELD, CONNECTICUT**

GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>				
Current year levy.....	\$ 15,066,233	\$ 15,066,233	\$ 15,024,873	\$ (41,360)
Prior year levy.....	160,000	160,000	116,484	(43,516)
Interest and lien fees.....	100,000	100,000	88,368	(11,632)
Motor vehicle supplement.....	210,000	210,000	224,920	14,920
Suspense collections taxes.....	5,000	5,000	5,144	144
Suspense collections interest.....	2,000	2,000	5,617	3,617
Telecom services payment.....	251,750	251,750	190,003	(61,747)
PILOT - senior housing.....	8,500	8,500	9,364	864
<b>TOTAL PROPERTY TAXES.....</b>	<b>15,803,483</b>	<b>15,803,483</b>	<b>15,664,773</b>	<b>(138,710)</b>
<b>INTERGOVERNMENTAL:</b>				
<b>STATE:</b>				
<b>BOARD OF EDUCATION:</b>				
Education assistance.....	8,511,184	8,511,184	8,511,525	341
School transportation.....	315,000	315,000	255,593	(59,407)
<b>TOTAL BOARD OF EDUCATION.....</b>	<b>8,826,184</b>	<b>8,826,184</b>	<b>8,767,118</b>	<b>(59,066)</b>
<b>GENERAL GOVERNMENT:</b>				
PILOT - State property.....	4,577,463	4,577,463	4,549,319	(28,144)
Circuit breaker.....	47,720	47,720	41,617	(6,103)
Tax relief for elderly freeze.....	2,370	2,370	2,304	(66)
Library - connecticard.....	10,700	10,700	9,678	(1,022)
Library - basic grant.....	3,200	3,200	2,372	(828)
Tax credit - new manufacturing equipment....	6,150	6,150	7,162	1,012
Boat reimbursement.....	2,500	2,500	2,503	3
Disability exempt reimbursement.....	860	860	1,366	506
Civil preparedness.....	6,000	6,000	11,152	5,152
Veterans' reimbursement.....	15,350	15,350	15,713	363
Snow removal grant.....			16,693	16,693
PILOT - Holinko Estates.....	22,600	22,600	18,554	(4,046)
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>4,694,913</b>	<b>4,694,913</b>	<b>4,678,433</b>	<b>(16,480)</b>
<b>FEDERAL:</b>				
In lieu of taxes.....	1,840	1,840	2,348	508
Social service block grant.....	3,720	3,720	3,727	7
<b>TOTAL FEDERAL.....</b>	<b>5,560</b>	<b>5,560</b>	<b>6,075</b>	<b>515</b>
<b>TOTAL INTERGOVERNMENTAL.....</b>	<b>13,526,657</b>	<b>13,526,657</b>	<b>13,451,626</b>	<b>(75,031)</b>
<b>INVESTMENT INCOME.....</b>	<b>520,000</b>	<b>520,000</b>	<b>239,331</b>	<b>(280,669)</b>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>CHARGES FOR SERVICES:</b>				
Data processing - Coventry.....	\$ 32,000	\$ 32,000	\$ 28,000	\$ (4,000)
Data processing - Region No. 19.....	8,950	8,950	8,950	-
Region No. 19 financial services.....	62,900	62,900	62,900	-
Health district services.....	5,000	5,000	5,000	-
Recording.....	70,000	70,000	104,523	34,523
Copies of records.....	10,000	10,000	14,219	4,219
Vital statistics.....	4,000	4,000	4,324	324
Sale of maps/regulations.....	750	750	198	(552)
Police service.....	42,500	42,500	20,516	(21,984)
Canine fees.....	1,000	1,000	2,229	1,229
Animal adoption fees.....	2,000	2,000	974	(1,026)
Feline fees.....	800	800	321	(479)
Health district reimbursement.....	10,360	10,360	14,319	3,959
Postage on overdue books.....	12,000	12,000	15,385	3,385
Blueprints.....	30	30	2	(28)
Region No. 19 grounds maintenance.....	63,500	63,500	63,500	-
Celeron square bikepath maintenance.....			2,700	2,700
Zoning regulations.....	1,200	1,200	678	(522)
Daycare grounds maintenance.....	8,800	8,800	8,800	-
Licenses and permits.....	2,200	2,200	1,948	(252)
Sport licenses.....	800	800	607	(193)
Dog licenses.....	7,500	7,500	8,298	798
Conveyance tax.....	47,500	47,500	77,508	30,008
Trailer and subdivision permits.....	2,500	2,500	3,560	1,060
Zoning permits.....	9,000	9,000	10,750	1,750
ZBA applications.....	1,100	1,100	1,000	(100)
IWA permits.....	2,000	2,000	1,900	(100)
Sewer permits.....	50	50		(50)
Road permits.....	2,500	2,500	2,150	(350)
Building permits.....	200,000	200,000	178,465	(21,535)
Administrative cost - reimb. permits.....	50	50	44	(6)
Parking tickets - Town.....	11,000	11,000	7,704	(3,296)
Parking tickets - complus.....	1,000	1,000	11,062	10,062
Rent - Region No. 19 maintenance.....	2,660	2,660	2,660	-
Rent - Historical Society.....	1,200	1,200	2,400	1,200
Rent - telecom tower.....	18,000	18,000	4,000	(14,000)
Rent - Town hall.....	300	300	300	-
Rent - senior center.....	250	250	100	(150)
General assistance - individuals.....	100	100		(100)
Circuit court - parking fees.....	250	250	2,435	2,185
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>645,750</b>	<b>645,750</b>	<b>674,429</b>	<b>28,679</b>

(Continued)

**SCHEDULE 3**  
**(3 of 3)**

TOWN OF MANSFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>OTHER LOCAL REVENUES:</b>				
Other.....	\$ 15,200	\$ 15,200	\$ 6,195	\$ (9,005)
<b>TOTAL REVENUES.....</b>	<b>30,511,090</b>	<b>30,511,090</b>	<b>30,036,354</b>	<b>(474,736)</b>
<b>OTHER FINANCING SOURCES:</b>				
Sale of capital assets.....			10,000	10,000
Operating transfers in:				
Capital nonrecurring fund.....	872,520	897,590	897,590	-
School cafeteria fund.....	2,500	2,500	2,500	-
Town aid road fund.....	25,000	25,000	25,000	-
Workers' compensation insurance.....	30,000	30,000	30,000	-
<b>TOTAL OTHER FINANCING SOURCES.....</b>	<b>930,020</b>	<b>955,090</b>	<b>965,090</b>	<b>10,000</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES.....</b>	<b>\$ 31,441,110</b>	<b>\$ 31,466,180</b>	<b>\$ 31,001,444</b>	<b>\$ (464,736)</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>					
Town council:					
Legislative.....	\$ 57,130	\$ (5,912)	\$ 51,218	\$ 51,218	\$ -
Town manager:					
Municipal management.....	178,440	(528)	177,912	177,912	-
Personnel management.....	49,270	16,114	65,384	65,384	-
Legal:					
Town attorney.....	11,000	-	11,000	10,958	42
Probate.....	1,720	293	2,013	2,013	-
Elections:					
Registrars.....	27,960	(329)	27,631	27,631	-
Town clerk.....	163,310	3,070	166,380	166,379	1
General elections.....	14,830	(3,740)	11,090	11,090	-
Finance:					
Administration.....	80,950	(8,343)	72,607	72,606	1
Accounting and disbursements.....	205,650	(5,958)	199,692	199,692	-
Revenue collection.....	152,330	8,228	160,558	160,558	-
Property assessment.....	138,680	(2,259)	136,421	136,421	-
Central copying.....	39,000	619	39,619	39,618	1
Central services.....	43,600	(9,323)	34,277	34,276	1
Data processing.....	94,250	(1,661)	92,589	92,589	-
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>1,258,120</b>	<b>(9,729)</b>	<b>1,248,391</b>	<b>1,248,345</b>	<b>46</b>
<b>PUBLIC SAFETY:</b>					
Police protection:					
Supervision and operation.....	36,230	-	36,230	35,792	438
Patrol services.....	643,740	(17,557)	626,183	626,182	1
Animal control.....	79,480	1,911	81,391	81,390	1
Fire protection:					
Fire marshal.....	93,090	(8,829)	84,261	84,260	1
Fire and emergency services admin.....		25,334	25,334	25,334	-
Mansfield volunteer fire dept.....	667,480	17,199	684,679	684,679	-
Eagleville volunteer fire dept.....	581,570	2,630	584,200	584,200	-
Civil preparedness.....	26,050	(1,050)	25,000	24,999	1
<b>TOTAL PUBLIC SAFETY.....</b>	<b>2,127,640</b>	<b>19,638</b>	<b>2,147,278</b>	<b>2,146,836</b>	<b>442</b>
<b>PUBLIC WORKS:</b>					
Administration.....	146,220	1,241	147,461	147,460	1
Operating services:					
Supervision and operation.....	73,920	(4,904)	69,016	69,016	-
Road services.....	630,390	(30,925)	599,465	599,464	1
Grounds maintenance.....	280,300	(10,989)	269,311	269,310	1
Equipment maintenance.....	302,390	(19,854)	282,536	282,536	-
Engineering.....	188,070	6,661	194,731	194,731	-
Buildings:					
Building inspection.....	112,510	2,755	115,265	115,265	-
Building maintenance.....	444,250	4,778	449,028	449,027	1
<b>TOTAL PUBLIC WORKS.....</b>	<b>2,178,050</b>	<b>(51,237)</b>	<b>2,126,813</b>	<b>2,126,809</b>	<b>4</b>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONCLUDED)

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>COMMUNITY SERVICES:</b>					
Health regulation and inspection.....	\$ 12,500	\$ (7,049)	\$ 5,451	\$ 5,451	\$ -
Social service administration.....	144,020	(11,620)	132,400	132,004	396
Mansfield challenge - winter.....	2,430	-	2,430	1,701	729
Peer outreach .....	360	-	360	302	58
Youth employment - middle school.....	4,000	-	4,000	3,613	387
Youth services.....	212,850	(17,091)	195,759	195,759	-
Senior services.....	159,680	28,575	188,255	188,255	-
Library administration.....	477,250	(20,929)	456,321	456,321	-
Recreation administration.....	112,200	(560)	111,640	111,639	1
Contribution to area agencies.....	258,780	(3,287)	255,493	255,492	1
<b>TOTAL COMMUNITY SERVICES.....</b>	<b>1,384,070</b>	<b>(31,961)</b>	<b>1,352,109</b>	<b>1,350,537</b>	<b>1,572</b>
<b>COMMUNITY DEVELOPMENT:</b>					
Planning administration.....	194,380	(1,927)	192,453	192,452	1
Planning/zoning inland/wetland.....	24,030	(3,721)	20,309	20,308	1
Mansfield downtown partnership.....	30,000	-	30,000	30,000	-
Boards and commissions.....	5,910	(2,280)	3,630	3,630	-
<b>TOTAL COMMUNITY DEVELOPMENT.....</b>	<b>254,320</b>	<b>(7,928)</b>	<b>246,392</b>	<b>246,390</b>	<b>2</b>
<b>TOWNWIDE EXPENDITURES:</b>					
Employee benefits.....	1,116,740	(16,943)	1,099,797	1,099,797	-
Insurance.....	93,380	4,573	97,953	97,952	1
Contingency.....	15,000	118,657	133,657	-	133,657
<b>TOTAL TOWNWIDE EXPENDITURES.....</b>	<b>1,225,120</b>	<b>106,287</b>	<b>1,331,407</b>	<b>1,197,749</b>	<b>133,658</b>
<b>TOTAL TOWN EXPENDITURES.....</b>	<b>8,427,320</b>	<b>25,070</b>	<b>8,452,390</b>	<b>8,316,666</b>	<b>135,724</b>
<b>EDUCATION:</b>					
Contribution to Region No.19 board of education.....	7,143,860	-	7,143,860	7,143,856	4
Mansfield board of education.....	15,285,930	-	15,285,930	15,007,032	278,898
<b>TOTAL EDUCATION.....</b>	<b>22,429,790</b>	<b>-</b>	<b>22,429,790</b>	<b>22,150,888</b>	<b>278,902</b>
<b>TOTAL EXPENDITURES.....</b>	<b>30,857,110</b>	<b>25,070</b>	<b>30,882,180</b>	<b>30,467,554</b>	<b>414,626</b>
<b>OTHER FINANCING USES:</b>					
Operating transfers out:					
Special revenue funds:					
Recreation program fund.....	72,500	-	72,500	72,500	-
Other operating funds.....	91,500	-	91,500	91,500	-
School cafeteria fund.....	20,000	-	20,000	20,000	-
Bond fund.....	400,000	-	400,000	400,000	-
Solid waste disposal.....	-	-	-	10,000	(10,000)
<b>TOTAL OTHER FINANCING USES.....</b>	<b>584,000</b>	<b>-</b>	<b>584,000</b>	<b>594,000</b>	<b>(10,000)</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 31,441,110</b>	<b>\$ 25,070</b>	<b>\$ 31,466,180</b>	<b>\$ 31,061,554</b>	<b>\$ 404,626</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF BOARD OF EDUCATION EXPENDITURES  
 AND OTHER FINANCING USES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>EXPENDITURES:</b>					
Regular instruction.....	\$ 6,154,150	\$ (165,374)	\$ 5,988,776	\$ 5,988,776	\$ -
English.....	61,330	-	61,330	60,878	452
World languages.....	14,020	-	14,020	13,971	49
Health and safety.....	5,570	(400)	5,170	3,892	1,278
Physical education.....	14,790	75	14,865	14,865	-
Art.....	12,970	2,120	15,090	15,090	-
Mathematics.....	28,740	822	29,562	29,562	-
Music.....	16,750	-	16,750	14,787	1,963
Science.....	27,680	(1,900)	25,780	25,196	584
Social studies.....	19,860	510	20,370	20,369	1
Computer education.....	108,950	3,745	112,695	112,695	-
Family and consumer sciences.....	7,750	176	7,926	7,926	-
Technology education.....	8,450	-	8,450	8,348	102
Special ed instruction.....	1,145,400	35,960	1,181,360	1,145,657	35,703
Enrichment.....	268,200	(54,024)	214,176	214,175	1
Preschool.....	232,970	9,585	242,555	242,555	-
Remedial education.....	344,100	-	344,100	296,582	47,518
Summer school free only (ED001).....	50,000	(2,010)	47,990	44,124	3,866
Tuition payments.....	200,000	-	200,000	145,549	54,451
Interdistrict magnet school.....	10,000	(3,800)	6,200	3,400	2,800
Central service - instructional supplies.....	167,620	19,249	186,869	186,869	-
Guidance services.....	138,140	-	138,140	137,265	875
Health services.....	173,840	3,647	177,487	177,487	-
Occupational and physical therapy.....	117,000	-	117,000	104,765	12,235
Speech and hearing services.....	90,670	-	90,670	74,282	16,388
Pupil services - testing.....	19,070	-	19,070	18,999	71
Psychological services - S.E.....	250,470	1,370	251,840	250,212	1,628
Curriculum development.....	204,440	11,490	215,930	204,291	11,639
Professional development.....	38,130	1,900	40,030	30,854	9,176
Media services.....	20,590	519	21,109	21,108	1
Library.....	212,380	3,617	215,997	215,996	1
Board of education.....	355,280	(51,198)	304,082	289,109	14,973
Superintendent's office.....	280,170	16,700	296,870	280,822	16,048
Special education admin.....	211,810	1,970	213,780	201,207	12,573
Principal's office service.....	731,320	1,827	733,147	733,147	-
Support services - central.....	17,450	-	17,450	13,386	4,064
Field studies.....	12,500	-	12,500	9,452	3,048
Business management.....	216,890	(423)	216,467	216,467	-
Plant operations - building.....	1,089,870	81,241	1,171,111	1,171,111	-
Regular transportation.....	558,230	-	558,230	540,058	18,172
Special education transportation.....	199,440	-	199,440	190,890	8,550
After school program.....	16,950	848	17,798	17,798	-
Athletic program.....	20,190	-	20,190	19,503	687
Employee benefits.....	1,411,800	81,758	1,493,558	1,493,557	1
<b>TOTAL EXPENDITURES.....</b>	<b>15,285,930</b>	<b>-</b>	<b>15,285,930</b>	<b>15,007,032</b>	<b>278,898</b>
<b>OTHER FINANCING USES:</b>					
Operating transfers out:					
School cafeteria fund.....	20,000	-	20,000	20,000	-
Other operating funds.....	46,000	-	46,000	46,000	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>66,000</b>	<b>-</b>	<b>66,000</b>	<b>66,000</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 15,351,930</b>	<b>\$ -</b>	<b>\$ 15,351,930</b>	<b>\$ 15,073,032</b>	<b>\$ 278,898</b>

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2003

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2002	CURRENT YEAR LEVY	LAWFUL CORRECTIONS			TRANSFERS TO SUSPENSE *	ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2003
			ADDITIONS *	DEDUCTIONS **	LAWFUL ABATEMENTS			TAXES	INTEREST AND LIEN FEES	TOTAL	
1989	\$ 5,323	\$	\$	\$ 35	\$	\$ 1,580	\$ 3,708	\$	\$	\$	\$ 3,708
1990	3,845				1,789	2,056					2,056
1991	4,195				2,487	1,708	207	352	559		1,501
1992	2,428				877	1,551	189	324	513		1,362
1993	2,783					2,783	376	785	1,161		2,407
1994	2,471					2,471	376	492	868		2,095
1995	4,372					4,372	391	542	933		3,981
1996	9,935			14	87	9,848	2,100	1,519	3,619		7,748
1997	16,734				414	16,334	5,362	2,854	8,216		10,972
1998	32,002				402	31,600	9,888	6,198	16,086		21,712
1999	94,456		1,982		6,846	86,994	35,701	13,483	49,184		51,293
2000	196,783		6,990		26,319	168,708	83,811	22,438	106,249		84,897
TOTAL PRIOR YEARS	375,327	-	8,986	11,379	40,801	332,133	138,401	48,987	187,388		193,732
2001		15,499,772	96,500	104,622	4,185	15,487,465	15,204,716	39,138	15,243,854		282,749
TOTAL	\$ 375,327	\$ 15,499,772	\$ 105,486	\$ 116,001	\$ 40,801	\$ 15,819,598	\$ 15,343,117	\$ 88,125	\$ 15,431,242	\$	\$ 476,481
Overcollection of taxes											
							49,170	88	49,258		
Suspense collections											
							5,878	5,617	11,495		
Total collections											
							\$ 15,398,165	\$ 93,830	\$ 15,491,995		

\* Includes prorates and reduction of elderly credit  
\*\* Includes local elderly option

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# Capital Projects Fund

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The Capital Projects Fund is used to account for financial resources to be used for major capital asset construction and/or purchase.

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL PROJECTS FUND  
SCHEDULE OF CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2003

PROJECT APPROPRIATION	PRIOR YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT APPROPRIATION
Town hall additional parking.....	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Landscape public buildings.....	50,000	50,000	50,000	-
Town hall air conditioning.....	67,649	75,000	(7,351)	67,649
Pool car - 2001-2002.....	21,894	20,000	1,894	21,894
Revenue collection system.....	50,000	50,000	50,000	-
Town hall furnishings.....	80,839	70,839	10,000	80,839
Water supply study.....	90,000	60,000	30,000	90,000
Lands of unique value study.....	55,000	55,000	55,000	-
Munivision system.....	15,000		15,000	15,000
Operating system software upgrade.....	25,000		25,000	25,000
Council chamber sound system.....	9,000		9,000	9,000
Employee classification study.....	20,000		20,000	20,000
Central air - MVFD.....	14,205	15,000	(795)	14,205
MVFD ambulance.....	169,524	165,000	4,524	169,524
Police cruiser 2001-2002.....	24,614	28,500	(3,886)	24,614
Replace engine 107.....	350,000	350,000		350,000
Laptop computers.....	26,836	22,000	4,836	26,836
EVFD equipment and training.....	31,534	31,500	34	31,534
MVFD defibrillation units.....	6,156	5,000	1,156	6,156
MVFD telephone system upgrade.....	7,965		7,965	7,965
Fire ponds.....	15,500	19,500	(4,000)	15,500
Roof replacement.....	90,000	80,000	10,000	90,000
Unheated vehicle garage.....	122,797	95,000	27,797	122,797
Wash water treatment center.....	75,000	75,000		75,000
Cruiser parking addition.....	90,000		90,000	90,000
Small bridges and culverts.....	235,084	195,084	40,000	235,084
Large bridge maintenance.....	368,236	328,236	40,000	368,236
Spring hill culvert.....	236,486	236,486		236,486
Town walkways.....	616,400	381,400	235,000	616,400
Road drainage.....	345,311	285,311	60,000	345,311
Maple road drainage.....	404,800	261,425	(83,361)	178,064
Birch road T.E.P.....	799,500	203,552	78,675	282,227
Guard rails.....	29,197	32,000	(2,803)	29,197
UCONN T.E.P.....	614,887	582,029	32,858	614,887
Mansfield center T.E.P.....	390,000	201,190	85,194	286,384
Road resurfacing - 1999-2000.....	240,000	240,000		240,000
Road resurfacing - 2000-2001.....	250,000	250,000		250,000
Maple road reconstruction.....	115,000	115,000		115,000
Road resurfacing 2001-2002.....	250,000	259,874	(9,874)	250,000
Road resurfacing.....	250,000		250,000	250,000
Pickup truck - 2000-2001.....	18,493	20,000	(1,507)	18,493
Pickup truck - 2001-2002.....	28,795	30,000	(1,205)	28,795
Large dump truck.....	87,211	85,000	2,211	87,211
Sickle bar attachment.....	7,495	9,000	(1,505)	7,495
Backhoe tipping bucket.....	12,325	10,000	2,325	12,325
Hydroseeding unit.....	5,000	5,000		5,000
Sewer flushing unit.....	55,000	55,000		55,000
Infield maintenance vehicle.....	9,431		9,431	9,431
Upgrade radio system.....	20,270	24,000	(3,730)	20,270
Engineering G.I.S. system.....	134,586	134,500	86	134,586

(Continued)

TOWN OF MANSFIELD, CONNECTICUT  
CAPITAL PROJECTS FUND - SCHEDULE OF CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONCLUDED)

	PROJECT APPROPRIATION	PRIOR YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT APPROPRIATION
Fleet hardware and software.....	\$ 17,970	\$ 18,500	\$ (530)	\$ 17,970	\$ -
Engineering CAD upgrades.....	70,500	60,500	10,000	70,500	-
Mapping workstation and software.....	95,000	65,000	30,000	95,000	-
Tree displacement.....	10,000	10,000		10,000	-
Storrs center area improvement.....	450,000	300,000	150,000	450,000	-
Senior center parking lot lighting.....	5,000	5,000		5,000	-
Library renovation.....	2,114,500	1,832,500	282,000	2,114,500	-
Daycare boiler replacement.....	21,489	25,000	(3,511)	21,489	-
Library furniture.....	50,000	50,000		50,000	-
Library floor and stage.....	35,000		35,000	35,000	-
Library chimney.....	20,000		20,000	20,000	-
Daycare cabinet replacement.....	5,000		5,000	5,000	-
Daycare telephone system.....	9,180		9,180	9,180	-
Senior center equipment.....	30,000	25,000	5,000	30,000	-
Lions club park.....	492,000	432,000	60,000	492,000	-
Open space purchase.....	3,043,855	2,918,855	125,000	3,043,855	-
Community center.....	7,765,000	7,615,000	150,000	7,765,000	-
Community center walking track.....	325,000			-	(325,000)
Park improvements.....	128,000	118,000	10,000	128,000	-
Playground resurfacing.....	22,000	25,000	(3,000)	22,000	-
Southeast park improvement.....	14,000		14,000	14,000	-
MMS drainage improvements.....	776,646	763,434	13,212	776,646	-
Maintenance shop windows.....	10,812	10,812		10,812	-
Southeast floor tile replacement.....	155,402	164,247	(8,845)	155,402	-
Southeast classroom addition.....	586,953	432,405	154,548	586,953	-
MMS kitchen modifications.....	30,000			-	(30,000)
Goodwin school chimney.....	46,838	15,000	31,838	46,838	-
Energy management systems.....	19,582	18,000	1,582	19,582	-
Goodwin floor tile replacement.....	167,544		167,544	167,544	-
Deferred maintenance projects.....	61,436		61,436	61,436	-
MMS stage curtains.....	10,000		10,000	10,000	-
Southeast boiler replacement.....	65,000		65,000	65,000	-
Elementary school shelving.....	10,000		10,000	10,000	-
Mansfield downtown revitalization and enhancement.....	500,000			-	(500,000)
Maintenance van replacement.....	24,921	25,000	(79)	24,921	-
Technology upgrade.....	613,860	600,000	13,860	613,860	-
Large turf mower.....	62,220		62,220	62,220	-
MMS condensing unit.....		5,000	(5,000)	-	-
<b>TOTAL.....</b>	<b>\$ 24,956,728</b>	<b>\$ 20,805,679</b>	<b>\$ 2,448,424</b>	<b>\$ 23,254,103</b>	<b>\$ (1,702,625)</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL PROJECTS FUND  
SCHEDULE OF CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2003

PROJECT APPROPRIATION	PRIOR YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CURRENT YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES	VARIANCE WITH PROJECT APPROPRIATION
Town hall additional parking.....	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Landscape public buildings.....	50,000	192	192	49,808
Town hall air conditioning.....	67,649	56,812	10,837	67,649
Pool car - 2001-2002.....	21,894	21,625	269	21,894
Revenue collection system.....	50,000	48,063	4,000	52,063
Town hall furnishings.....	80,839	72,310	8,248	80,558
Water supply study.....	90,000	40,188	9,822	50,010
Lands of unique value study.....	55,000	12,000	24,000	36,000
Munivision system.....	15,000	-	-	-
Operating system software upgrade.....	25,000	-	1,260	1,260
Council chamber sound system.....	9,000	-	9,000	9,000
Employee classification study.....	20,000	-	-	-
Central air - MVFD.....	14,205	14,205	14,205	14,205
MVFD ambulance.....	169,524	2,132	167,392	169,524
Police cruiser 2001-2002.....	24,614	-	24,614	24,614
Replace engine 107.....	350,000	1,377	167	1,544
Laptop computers.....	26,836	26,678	158	26,836
EVFD equipment and training.....	31,534	31,534	-	31,534
MVFD defibrillation units.....	6,156	-	6,156	6,156
MVFD telephone system upgrade.....	7,965	-	7,965	7,965
Fire ponds.....	15,500	4,811	1,677	6,488
Roof replacement.....	90,000	44,455	27,397	71,852
Unheated vehicle garage.....	122,797	122,797	-	122,797
Wash water treatment center.....	75,000	8,107	63,292	71,399
Cruiser parking addition.....	90,000	-	66,504	66,504
Small bridges and culverts.....	235,084	88,809	17,690	106,499
Large bridge maintenance.....	368,236	173,015	71,037	244,052
Spring hill culvert.....	236,486	236,561	(75)	236,486
Town walkways.....	616,400	123,219	12,194	135,413
Road drainage.....	345,311	180,388	1,135	181,523
Maple road drainage.....	404,800	89,205	8,235	97,440
Birch road T.E.P.....	799,500	72,011	45,922	117,933
Guard rails.....	29,197	17,797	3,400	21,197
UCONN T.E.P.....	614,887	612,643	2,244	614,887
Mansfield center T.E.P.....	390,000	177,263	170,563	347,826
Road resurfacing - 1999-2000.....	240,000	240,000	-	240,000
Road resurfacing - 2000-2001.....	250,000	250,000	-	250,000
Maple road reconstruction.....	115,000	48,728	21,690	70,418
Road resurfacing 2001-2002.....	250,000	212,718	37,282	250,000
Road resurfacing.....	250,000	-	244,260	244,260
Pickup truck - 2000-2001.....	18,493	18,493	-	18,493
Pickup truck - 2001-2002.....	28,795	28,295	500	28,795
Large dump truck.....	87,211	87,211	-	87,211
Sickle bar attachment.....	7,495	7,495	-	7,495
Backhoe tipping bucket.....	12,325	12,325	-	12,325
Hydroseeding unit.....	5,000	-	5,000	5,000
Sewer flushing unit.....	55,000	361	54,775	55,136
Infield maintenance vehicle.....	9,431	-	9,431	9,431
Upgrade radio system.....	20,270	20,270	-	20,270
Engineering G.I.S. system.....	134,586	134,586	-	134,586

(Continued)

**SCHEDULE 8**  
(2 of 2)

TOWN OF MANSFIELD, CONNECTICUT  
CAPITAL PROJECTS FUND - SCHEDULE OF CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONCLUDED)

PROJECT	PROJECT APPROPRIATION	PRIOR YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CURRENT YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES	VARIANCE WITH PROJECT APPROPRIATION
Fleet hardware and software.....	\$ 17,970	\$ 17,970	\$ -	\$ 17,970	-
Engineering CAD upgrades.....	70,500	23,941	8,412	32,353	38,147
Mapping workstation and software.....	95,000	29,254	37,215	66,469	28,531
Tree displacement.....	10,000	4,627	1,507	6,134	3,866
Storrs center area improvement.....	450,000	97,035	5,611	102,646	347,354
Senior center parking lot lighting.....	5,000	-	5,000	5,000	-
Library renovation.....	2,114,500	2,136,489	(21,989)	2,114,500	-
Daycare boiler replacement.....	21,489	14,859	6,630	21,489	-
Library furniture.....	50,000	256	47,926	48,182	1,818
Library floor and stage.....	35,000	-	14,117	14,117	20,883
Library chimney.....	20,000	-	-	-	20,000
Daycare cabinet replacement.....	5,000	-	-	-	5,000
Daycare telephone system.....	9,180	-	9,180	9,180	-
Senior center equipment.....	30,000	14,652	4,320	18,972	11,028
Lions club park.....	492,000	375,637	35,945	411,582	80,418
Open space purchase.....	3,043,855	2,455,420	72,907	2,528,327	515,528
Community center.....	7,765,000	1,289,901	5,104,276	6,394,177	1,370,823
Community center walking track.....	325,000	-	-	-	325,000
Park improvements.....	128,000	118,084	3,650	121,734	6,266
Playground resurfacing.....	22,000	9,597	4,784	14,381	7,619
Southeast park improvement.....	14,000	-	-	-	14,000
MMS drainage improvements.....	776,646	775,544	1,102	776,646	-
Maintenance shop windows.....	10,812	8,469	990	9,459	1,353
Southeast floor tile replacement.....	155,402	155,402	-	155,402	-
Southeast classroom addition.....	586,953	586,953	-	586,953	-
MMS kitchen modifications.....	30,000	-	-	-	30,000
Goodwin school chimney.....	46,838	3,610	43,228	46,838	-
Energy management systems.....	19,582	577	19,005	19,582	-
Goodwin floor tile replacement.....	167,544	10,315	157,229	167,544	-
Deferred maintenance projects.....	61,436	-	32,883	32,883	28,553
MMS stage curtains.....	10,000	-	-	-	10,000
Southeast boiler replacement.....	65,000	-	21,705	21,705	43,295
Elementary school shelving.....	10,000	-	-	-	10,000
Mansfield downtown revitalization and enhancement.....	500,000	-	60,921	60,921	439,079
Maintenance van replacement.....	24,921	192	24,729	24,921	-
Technology upgrade.....	613,860	596,467	17,393	613,860	-
Large turf mower.....	62,220	-	62,220	62,220	-
<b>TOTAL.....</b>	<b>\$ 24,956,728</b>	<b>\$ 12,063,738</b>	<b>\$ 6,979,129</b>	<b>\$ 19,042,867</b>	<b>\$ 5,913,861</b>

(Concluded)

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# Enterprise Funds

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Enterprise funds are proprietary funds used to report an activity for which a fee is charged to external users for goods and services.

## Sewer Operating Fund

To account for sewer services provided by the University of Connecticut and the Willimantic Water Company to certain residents of the Town. All activities necessary to provide services are accounted for in this fund.

## Sold Waste Disposal Fund

To account for solid waste management for the Town. All the activities necessary to provide such services are accounted for in this fund. It is the intention of management that disposal fees will pay the cost of the tipping fees at the various disposal sites in use.

TOWN OF MANSFIELD, CONNECTICUT

ENTERPRISE FUND  
SEWER OPERATING FUND  
SCHEDULE OF SEWER USER CHARGES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2003

	BALANCE JULY 1, 2002	CURRENT LEVY	AMOUNT COLLECTIBLE	PRINCIPAL	COLLECTIONS		BALANCE JUNE 30, 2003
					INTEREST AND LIENS	TOTAL	
SEWER USER CHARGES:							
Willimantic.....	\$ 47,822	\$ 98,000	\$ 145,822	\$ 98,410	\$ 1,044	\$ 99,454	\$ 47,412
UCONN.....	7,935	80,000	87,935	87,935	-	87,935	-
TOTAL.....	\$ 55,757	\$ 178,000	\$ 233,757	\$ 186,345	\$ 1,044	\$ 187,389	\$ 47,412

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# Nonmajor Governmental Funds

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## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

### Capital Nonrecurring Fund

This fund was established pursuant to Connecticut State law as a reserve fund for future capital projects.

### Educational Grants Fund

This fund is utilized to control the operation of various State and Federal educational grant programs. Most grants are received from the State of Connecticut Department of Education.

### Mansfield Discretionary Fund

This fund was established to record the activity from prior community development grants.

### Recreation Program Fund

This fund was established to record the activity of various recreation programs sponsored by the Town.

### Other Operating Funds

Miscellaneous programs of the Town are accounted for in this fund.

### School Cafeteria Fund

The general operations of the public school cafeteria program are controlled through this fund. Grants received through the State of Connecticut Department of Education for school lunch program activities are recorded in this fund along with the sale of food and the related expenditures associated with the program.

### Town Aid Road Fund

The administration of the State of Connecticut Department of Transportation Town Aid Road program is controlled through this fund.

### Community Development Fund

This fund was established to record the activity under the Community Development Block Grant program.

NONMAJOR GOVERNMENTAL FUNDS (continued)

**Debt Service Funds**

**Bond Fund**

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Compensated Absences Fund**

This fund is used to account for the accumulation of resources for, and the payment of, accrued compensated absences.

**Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Cemetery Fund**

This fund is used to account for revenues and expenses dealing with the operation of all the active and inactive cemeteries in Town.

**Local School Fund**

Income from this fund is restricted to use for school purposes.

TOWN OF MANSFIELD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2003

SPECIAL REVENUE FUNDS

	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	MANSFIELD DISCRETIONARY FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD	COMMUNITY DEVELOPMENT FUND	TOTAL
<b>ASSETS</b>									
Investments.....	\$ 3,700	\$ 10,660	\$ 95,281	\$ 294,946	\$ 508,862	\$ 66,103	\$ -	\$ -	\$ 975,852
Receivables:									
Sewer assessments.....	3,700								3,700
Intergovernmental.....		10,197				17,329		58,172	85,698
Loans.....								66,175	66,175
Other.....				1,982	7,303				9,285
Other.....						8,036			8,036
<b>TOTAL ASSETS.....</b>	<b>\$ 3,700</b>	<b>\$ 20,857</b>	<b>\$ 95,281</b>	<b>\$ 296,928</b>	<b>\$ 516,165</b>	<b>\$ 91,468</b>	<b>\$ -</b>	<b>\$ 124,347</b>	<b>\$ 1,148,746</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>									
<b>LIABILITIES:</b>									
Accounts and other payables.....	\$ 3,466	\$ 4,303	\$ -	\$ 2,344	\$ 15,522	\$ 3,935	\$ 175	\$ -	\$ 26,279
Due to other funds.....	3,700	9,842		235,694		4,718	2,379	58,172	68,735
Deferred revenue.....								66,175	66,175
<b>TOTAL LIABILITIES.....</b>	<b>7,166</b>	<b>14,145</b>	<b>-</b>	<b>238,038</b>	<b>15,522</b>	<b>8,653</b>	<b>2,554</b>	<b>124,347</b>	<b>410,425</b>
<b>FUND BALANCES (DEFICITS):</b>									
Unreserved and undesignated.....	(3,466)	6,712	95,281	58,890	500,643	82,815	(2,554)		738,321
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS).....</b>	<b>\$ 3,700</b>	<b>\$ 20,857</b>	<b>\$ 95,281</b>	<b>\$ 296,928</b>	<b>\$ 516,165</b>	<b>\$ 91,468</b>	<b>\$ -</b>	<b>\$ 124,347</b>	<b>\$ 1,148,746</b>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONCLUDED)

	DEBT SERVICE FUNDS			PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BOND FUND	COMPENSATED ABSENCES FUND	TOTAL	CEMETERY FUND	LOCAL SCHOOL FUND	TOTAL	
<b>ASSETS</b>							
Investments.....	\$ 650,249	\$ 248,761	\$ 899,010	\$ 446,464	\$ 658	\$ 447,122	\$ 2,321,984
Receivables:							
Sewer assessments.....	-	-	-	-	-	-	3,700
Intergovernmental.....	-	-	-	-	-	-	85,698
Loans.....	-	-	-	-	-	-	66,175
Other.....	-	-	-	-	-	-	9,285
Other.....	-	-	-	-	-	-	8,036
<b>TOTAL ASSETS.....</b>	<b>\$ 650,249</b>	<b>\$ 248,761</b>	<b>\$ 899,010</b>	<b>\$ 446,464</b>	<b>\$ 658</b>	<b>\$ 447,122</b>	<b>\$ 2,494,878</b>
<b>LIABILITIES AND FUND BALANCES</b>							
LIABILITIES:							
Accounts and other payables.....	\$ -	\$ -	\$ -	\$ 1,733	\$ -	\$ 1,733	\$ 28,012
Due to other funds.....	-	-	-	75,088	-	75,088	143,823
Deferred revenue.....	-	-	-	-	-	-	315,411
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,821</b>	<b>-</b>	<b>76,821</b>	<b>487,246</b>
FUND BALANCES:							
Reserved for debt service.....	650,249	248,761	899,010	-	-	-	899,010
Reserved for perpetual care.....	-	-	-	368,443	-	368,443	368,443
Reserved for endowments.....	-	-	-	1,200	710	1,910	1,910
Total reserved.....	650,249	248,761	899,010	369,643	710	370,353	1,269,363
Unreserved and undesignated.....	-	-	-	-	(52)	(52)	738,269
<b>TOTAL FUND BALANCES.....</b>	<b>650,249</b>	<b>248,761</b>	<b>899,010</b>	<b>369,643</b>	<b>658</b>	<b>370,301</b>	<b>2,007,632</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 650,249</b>	<b>\$ 248,761</b>	<b>\$ 899,010</b>	<b>\$ 446,464</b>	<b>\$ 658</b>	<b>\$ 447,122</b>	<b>\$ 2,494,878</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2003

	SPECIAL REVENUE FUNDS								
	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	MANSFIELD DISCRETIONARY FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD	COMMUNITY DEVELOPMENT FUND	TOTAL
REVENUES:									
Intergovernmental.....	\$ 2,244,060	\$ 616,829	\$	\$	\$ 145,307	\$ 119,460	\$ 100,881	\$ 142,568	\$ 3,369,105
Investment income.....			751		102				853
Charges for services.....	257,608		61,589	308,897	156,737	563,513			1,348,344
Contributions.....				38,096	67,335				105,431
Other local revenues.....	5,333				12,121				17,454
TOTAL REVENUES.....	2,507,001	616,829	62,340	346,993	381,602	682,973	100,881	142,568	4,841,187
EXPENDITURES:									
Current:									
General government.....					30,711				30,711
Public works.....							90,471		90,471
Community services.....	20,000		1,581	439,335	260,355			142,568	863,839
Education.....		615,514			72,707	680,024			1,368,245
TOTAL EXPENDITURES.....	20,000	615,514	1,581	439,335	363,773	680,024	90,471	142,568	2,353,266
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	2,487,001	1,315	60,759	(92,342)	17,829	2,949	10,410	-	2,487,921
OTHER FINANCING SOURCES (USES):									
Operating transfers in.....	(2,945,006)			137,500	129,000	20,000	(25,000)		286,500
Operating transfers out.....					(36,436)	(2,500)			(3,008,942)
NET OTHER FINANCING SOURCES (USES).....	(2,945,006)			137,500	92,564	17,500	(25,000)		(2,722,442)
NET CHANGES IN FUND BALANCES.....	(458,005)	1,315	60,759	45,158	110,393	20,449	(14,590)		(234,521)
FUND BALANCES - JULY 1, 2002.....	454,539	5,397	34,522	13,732	390,250	62,366	12,036		972,842
FUND BALANCES (DEFICITS) - JUNE 30, 2003.....	\$ (3,466)	\$ 6,712	\$ 95,281	\$ 58,890	\$ 500,643	\$ 82,815	\$ (2,554)	\$ -	\$ 738,321

(Continued)

TOWN OF MANSFIELD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) (CONCLUDED)

	DEBT SERVICE FUNDS			PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BOND FUND	COMPENSATED ABSENCES FUND	TOTAL	CEMETERY FUND	LOCAL SCHOOL FUND	TOTAL	
REVENUES:							
Intergovernmental.....	\$ 420,364	\$ -	\$ 420,364	\$ -	\$ -	\$ -	\$ 3,789,469
Investment income.....	-	6,571	6,571	11,199	17	11,216	18,640
Charges for services.....	-	-	-	6,300	-	6,300	1,354,644
Net increase in fair value of investments.....	-	4,075	4,075	7,606	11	7,617	11,692
Contributions.....	-	-	-	-	-	-	105,431
Other local revenues.....	-	-	-	-	-	-	17,454
<b>TOTAL REVENUES.....</b>	<b>420,364</b>	<b>10,646</b>	<b>431,010</b>	<b>25,105</b>	<b>28</b>	<b>25,133</b>	<b>5,297,330</b>
EXPENDITURES:							
Current:							
General government.....	-	-	-	-	-	-	30,711
Public works.....	-	-	-	-	-	-	90,471
Community services.....	-	-	-	33,011	-	33,011	896,850
Education.....	-	-	-	-	-	-	1,368,245
Debt service:							
Principal.....	950,000	-	950,000	-	-	-	950,000
Interest.....	398,975	-	398,975	-	-	-	398,975
<b>TOTAL EXPENDITURES.....</b>	<b>1,348,975</b>	<b>-</b>	<b>1,348,975</b>	<b>33,011</b>	<b>-</b>	<b>33,011</b>	<b>3,735,252</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(928,611)</b>	<b>10,646</b>	<b>(917,965)</b>	<b>(7,906)</b>	<b>28</b>	<b>(7,878)</b>	<b>1,562,078</b>
OTHER FINANCING SOURCES (USES):							
Operating transfers in.....	650,000	-	650,000	-	-	-	936,500
Operating transfers out.....	-	-	-	-	-	-	(3,008,942)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>650,000</b>	<b>-</b>	<b>650,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,072,442)</b>
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>(278,611)</b>	<b>10,646</b>	<b>(267,965)</b>	<b>(7,906)</b>	<b>28</b>	<b>(7,878)</b>	<b>(510,364)</b>
<b>FUND BALANCES - JULY 1, 2002.....</b>	<b>928,860</b>	<b>238,115</b>	<b>1,166,975</b>	<b>377,549</b>	<b>630</b>	<b>378,179</b>	<b>2,517,996</b>
<b>FUND BALANCES - JUNE 30, 2003.....</b>	<b>\$ 650,249</b>	<b>\$ 248,761</b>	<b>\$ 899,010</b>	<b>\$ 369,643</b>	<b>\$ 658</b>	<b>\$ 370,301</b>	<b>\$ 2,007,632</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL NONRECURRING FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Intergovernmental.....	\$ 2,687,660	\$ 2,687,660	\$ 2,244,060	\$ (443,600)
Charges for services.....	220,000	220,000	257,608	37,608
Other local revenues.....	3,000	3,000	5,333	2,333
<b>TOTAL REVENUES.....</b>	<b>2,910,660</b>	<b>2,910,660</b>	<b>2,507,001</b>	<b>(403,659)</b>
<b>EXPENDITURES:</b>				
Community services.....	20,000	20,000	20,000	
<b>EXCESS OF REVENUES OVER EXPENDITURES.....</b>	<b>2,890,660</b>	<b>2,890,660</b>	<b>2,487,001</b>	<b>(403,659)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of fund balance.....	329,343	329,343		(329,343)
Operating transfers out.....	(3,220,003)	(3,220,003)	(2,945,006)	274,997
<b>NET OTHER FINANCING USES.....</b>	<b>(2,890,660)</b>	<b>(2,890,660)</b>	<b>(2,945,006)</b>	<b>(54,346)</b>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(458,005)</b>	<b>\$ (458,005)</b>
FUND BALANCE - JULY 1, 2002.....			454,539	
FUND DEFICIT - JUNE 30, 2003.....			\$ (3,466)	

TOWN OF MANSFIELD, CONNECTICUT

OTHER OPERATING FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
FOR THE YEAR ENDED JUNE 30, 2003

	REVENUES AND OTHER FINANCING SOURCES				EXPENDITURES AND OTHER FINANCING USES				FUND BALANCES (DEFICITS)			
	INTER- GOVERNMENTAL	INVESTMENT INCOME	CHARGES FOR SERVICES	CONTRIBUTIONS	OTHER LOCAL REVENUES	OPERATING TRANSFERS IN	TOTAL	GENERAL GOVERNMENT SERVICES	EDUCATION	OPERATING TRANSFERS OUT	JULY 1, 2002	JUNE 30, 2003
Adventure learning.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ambulance services.....			56,742			10,000	10,000		9,610		2,742	3,132
BSA/Mt. Hope park program.....					2,500			70,769			14,027	
The blueberry fund.....					2,343			8,366			7,000	1,134
Daycare nongrant.....					2,047			730			1,613	1,613
CL & P environmental education.....					1,000			613			265	1,699
Dorothy Goodwin program.....		4,995							5,467			1,000
EMS equipment grant.....	35,000					35,000		51,440			7,593	7,121
Friends of Mansfield parks.....			179			317		2,218			51,440	35,000
Festival of lights.....	2,471					2,471		134			(2,218)	(2,218)
Firefighters pension.....							(1,455)				(2,471)	183
Fred Cazel garden.....												1,453
Friends of the library.....											1,000	1,000
General services special needs.....		26,000				25,000		24,266			1,000	1,000
Graustein discovery grant.....		3,447				30,000		4,471			23,110	48,110
Historic document preservation.....	5,000		3,334					18,243			80,000	110,000
Liberty bank program.....								6,650				441
Mansfield 300 celebration.....												13,390
Mansfield challenge - summer.....					200							1,679
Mansfield school readiness council.....					31							(2,260)
Mansfield summer school program.....						5,000			201			6,504
MMS composting project.....	8,644					8,644			6,416			(61)
MMS peace gardens.....									10			151
National science foundation grant.....									482			268
NECASA peer outreach.....	100					100		49				51
NECASA safe graduation.....	2,300					2,300		2,300				629
NECASA science based project.....												39
NECASA tobacco reduction.....												46
Nuclear safety emergency.....	6,435					6,435						(431)
Oak grove school.....	11,714					15,714		13,772				1,537
Parent education.....	1,275					1,275		1,275				
Police - underage drinking program.....												10
Preschool tuition.....			20,946			20,946						54,669
Regional arts enhancement.....					4,000			3,980				20
School use fund.....			17,435			17,435		20,057				(2,622)
Senior programs.....			6,654			5,000		12,416				3,133
Special education tuition - other schools.....	72,368		43,272			115,640		36,436				159,434
Substance abuse prevention education 01/02.....									374			
Suzuki.....								35,100				75
Wellness center program.....		102	8,175			27,000		15,679				5,958
What's going on.....												319
Year 2000 property revaluation.....												29,793
Youth services special needs.....							24,061					1,102
TOTAL.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	145,307	102	156,737	67,335	12,121	129,000	30,711	260,355	72,707	36,436	390,250	500,643

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# Internal Service Funds

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Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

## Health Insurance Fund

To account for the provision of Health Insurance for the Town. All activities necessary to provide such coverage are accounted for in this fund.

## Workers' Compensation Insurance Fund

To account for the provision of Workers' Compensation Insurance for the Town. All activities necessary to provide such coverage are accounted for in this fund.

## Management Services Fund

To account for the provision of land, buildings, equipment and related supplies which benefit Town departments and schools.

TOWN OF MANSFIELD, CONNECTICUTINTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2003

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<u>ASSETS</u>				
Current assets:				
Investments.....	\$ 939,833	\$	\$ 132,789	\$ 1,072,622
Accounts receivable.....	100,095		65,326	165,421
Due from other funds.....	258,901			258,901
Other.....			6,152	6,152
Total current assets.....	1,298,829	-	204,267	1,503,096
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....			145,649	145,649
Buildings.....			123,922	123,922
Office equipment.....			399,152	399,152
Total noncurrent assets.....	-	-	668,723	668,723
TOTAL ASSETS.....	1,298,829	-	872,990	2,171,819
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....			24,139	24,139
Accrued claims payable.....	480,000			480,000
Due to other funds.....		12,198		12,198
TOTAL LIABILITIES.....	480,000	12,198	24,139	516,337
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt.....			668,723	668,723
Unrestricted.....	818,829	(12,198)	180,128	986,759
TOTAL NET ASSETS.....	\$ 818,829	\$ (12,198)	\$ 848,851	\$ 1,655,482

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2003

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<b>OPERATING REVENUES:</b>				
Premiums.....	\$ 3,423,310	\$ 205,920	\$	\$ 3,629,230
Service fees.....			387,617	387,617
Sales.....			39,394	39,394
Rental income.....			76,725	76,725
<b>TOTAL OPERATING REVENUES.....</b>	<b>3,423,310</b>	<b>205,920</b>	<b>503,736</b>	<b>4,132,966</b>
<b>OPERATING EXPENSES:</b>				
Wages and fringe benefits.....	96,026		81,920	177,946
Administrative.....	554,225			554,225
Medical claims.....	3,404,516			3,404,516
Workers' compensation.....		250,553		250,553
Copier and computer expenses.....			411,855	411,855
Depreciation.....			160,550	160,550
<b>TOTAL OPERATING EXPENSES.....</b>	<b>4,054,767</b>	<b>250,553</b>	<b>654,325</b>	<b>4,959,645</b>
<b>OPERATING LOSS.....</b>	<b>(631,457)</b>	<b>(44,633)</b>	<b>(150,589)</b>	<b>(826,679)</b>
<b>NONOPERATING REVENUES:</b>				
Investment income.....	22,272			22,272
<b>LOSS BEFORE OPERATING TRANSFERS.....</b>	<b>(609,185)</b>	<b>(44,633)</b>	<b>(150,589)</b>	<b>(804,407)</b>
<b>OPERATING TRANSFERS:</b>				
Operating transfers in.....			206,000	206,000
Operating transfers out.....		(30,000)		(30,000)
<b>NET OPERATING TRANSFERS IN (OUT).....</b>	<b>-</b>	<b>(30,000)</b>	<b>206,000</b>	<b>176,000</b>
<b>CHANGES IN NET ASSETS.....</b>	<b>(609,185)</b>	<b>(74,633)</b>	<b>55,411</b>	<b>(628,407)</b>
<b>TOTAL NET ASSETS - JULY 1, 2002.....</b>	<b>1,428,014</b>	<b>62,435</b>	<b>793,440</b>	<b>2,283,889</b>
<b>TOTAL NET ASSETS - JUNE 30, 2003.....</b>	<b>\$ 818,829</b>	<b>\$ (12,198)</b>	<b>\$ 848,851</b>	<b>\$ 1,655,482</b>

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2003

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers.....	\$	\$	\$ 445,248	\$ 445,248
Premiums received.....	3,691,068	205,920		3,896,988
Payments to vendors.....	(566,744)	(238,355)	(508,070)	(1,313,169)
Payments for claims.....	(3,404,516)			(3,404,516)
Payments to employees.....	(96,026)		(81,920)	(177,946)
<b>NET CASH USED IN OPERATING ACTIVITIES.....</b>	<b>(376,218)</b>	<b>(32,435)</b>	<b>(144,742)</b>	<b>(553,395)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers from other funds.....			206,000	206,000
Operating transfers to other funds.....		(30,000)		(30,000)
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>-</b>	<b>(30,000)</b>	<b>206,000</b>	<b>176,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets.....			(116,774)	(116,774)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Income from investments.....	22,272			22,272
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(353,946)</b>	<b>(62,435)</b>	<b>(55,516)</b>	<b>(471,897)</b>
CASH AND CASH EQUIVALENTS - JULY 1, 2002.....	1,293,779	62,435	188,305	1,544,519
CASH AND CASH EQUIVALENTS - JUNE 30, 2003.....	\$ 939,833	\$ -	\$ 132,789	\$ 1,072,622
<b>RECONCILIATION TO BALANCE SHEET CASH:</b>				
Cash and cash equivalents per above.....	\$ 939,833	\$ -	\$ 132,789	\$ 1,072,622
Cash and cash equivalents reported as investments.....	(939,833)		(132,789)	(1,072,622)
<b>BALANCE SHEET CASH.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>				
Operating loss.....	\$ (631,457)	\$ (44,633)	\$ (150,589)	\$ (826,679)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation.....			160,550	160,550
(Increase) decrease in:				
Accounts receivable.....	526,659		(65,326)	461,333
Due from other funds.....	(258,901)			(258,901)
Other.....			6,838	6,838
Increase (decrease) in:				
Accounts payable.....			10,770	10,770
Due to other funds.....	(12,519)	12,198	(106,985)	(107,306)
<b>NET CASH USED IN OPERATING ACTIVITIES.....</b>	<b>\$ (376,218)</b>	<b>\$ (32,435)</b>	<b>\$ (144,742)</b>	<b>\$ (553,395)</b>

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# Fiduciary Funds

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Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

## Postemployment Healthcare Trust Fund

This fund is used to account for postemployment benefits of Locals 531 and 760 employees, certain nonunion employees and public works employees.

## Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

## Student Activities Fund

This fund is used to control various activities, as defined by State Statute, undertaken by students of the public school system.

## Celeron Square, Eastbrook Heights, Courtyard Associates, Ledgebrook, Holinko Estates and Freedom Green Sewer Funds

These funds are used to ensure that the privately owned sewer systems are operated and maintained in accordance with all applicable Federal, State and local regulations.

## Dependent Care Fund

This fund is used to account for funds withheld from employees' pay for the purpose of reimbursement of dependent care expenses.

## Uninsured Medical Costs Fund

This fund is used to account for funds withheld from employees' pay for the purpose of reimbursement of uninsured medical costs.

## Mid-Neroc (Mid-Northeast Recycling Operating Committee) Operating Fund

This fund is used to account for a regional household chemical waste facility located in the Town of Willington.

TOWN OF MANSFIELD, CONNECTICUT

AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2003

	BALANCE JULY 1, 2002	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2003
<u>ASSETS</u>				
CASH:				
Student activities fund.....	\$ 66,671	\$ 93,925	\$ 104,770	\$ 55,826
INVESTMENTS:				
Celeron square sewer fund.....	81,307	5,093		86,400
Eastbrook heights sewer fund.....	85,676	4,717		90,393
Courtyard associates sewer fund.....	44,452	2,289		46,741
Ledgebrook sewer fund.....	49,814	3,395		53,209
Holinko estates sewer fund.....	17,785	1,068		18,853
Freedom green sewer fund.....	39,286	3,947		43,233
Dependent care fund.....	6,236	54,058	50,409	9,885
Uninsured medical costs fund.....	5,310	44,635	44,805	5,140
Mid-Neroc operating fund.....	151,894	43,577	50,306	145,165
TOTAL INVESTMENTS.....	481,760	162,779	145,520	499,019
ACCOUNTS RECEIVABLE:				
Dependent care fund.....	1,168	16,944	17,085	1,027
Uninsured medical costs fund.....	5,491	15,434	12,902	8,023
Mid-Neroc operating fund.....		1,510		1,510
TOTAL ACCOUNTS RECEIVABLE.....	6,659	33,888	29,987	10,560
TOTAL ASSETS.....	\$ 555,090	\$ 290,592	\$ 280,277	\$ 565,405
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Student activities fund.....	\$ 66,671	\$ 93,925	\$ 104,770	\$ 55,826
Celeron square sewer fund.....	81,307	5,093		86,400
Eastbrook heights sewer fund.....	85,676	4,717		90,393
Courtyard associates sewer fund.....	44,452	2,289		46,741
Ledgebrook sewer fund.....	49,814	3,395		53,209
Holinko estates sewer fund.....	17,785	1,068		18,853
Freedom green sewer fund.....	39,286	3,947		43,233
Dependent care fund.....	7,404	71,002	67,494	10,912
Uninsured medical costs fund.....	10,801	60,069	57,707	13,163
Mid-Neroc operating fund.....	151,894	45,087	50,306	146,675
TOTAL ACCOUNTS PAYABLE.....	\$ 555,090	\$ 290,592	\$ 280,277	\$ 565,405

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**Capital Assets  
Used in the  
Operation of  
Governmental  
Funds**

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**TOWN OF MANSFIELD, CONNECTICUT**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
JUNE 30, 2003 AND 2002**

	2003	2002 (AS RESTATED)
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>		
Land and land improvements.....	\$ 4,547,269	\$ 3,730,829
Construction in progress.....	7,251,651	4,960,829
Buildings.....	24,718,157	22,148,593
Improvements other than buildings.....	206,716	179,846
Equipment and vehicles.....	3,646,376	3,466,497
Infrastructure.....	46,738,229	46,588,229
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 87,108,398</b>	<b>\$ 81,074,823</b>
<b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:</b>		
General fund.....	\$ 58,660,075	\$ 55,105,838
General obligation bonds.....	23,467,861	21,393,879
Special revenue funds.....	2,281,680	2,260,191
Federal and state grants.....	2,556,782	2,172,915
Gifts.....	142,000	142,000
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 87,108,398</b>	<b>\$ 81,074,823</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2003

FUNCTION AND ACTIVITY	TOTAL	IMPROVMENTS LAND	CONSTRUCTION IN PROGRESS	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT AND VEHICLES	INFRASTRUCTURE
<b>GENERAL GOVERNMENT:</b>							
General government.....	\$ 2,170,863	\$ 4,609	\$ 60,000	\$ 1,738,260	\$	\$ 367,994	\$
Town manager.....	17,638					17,638	
Finance.....	52,063		52,063				
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>2,240,564</b>	<b>4,609</b>	<b>112,063</b>	<b>1,738,260</b>		<b>385,632</b>	
<b>PUBLIC SAFETY:</b>							
Police protection.....	306,689					306,689	
Fire protection.....	64,065		37,200			26,865	
<b>TOTAL PUBLIC SAFETY.....</b>	<b>370,754</b>	<b>-</b>	<b>37,200</b>			<b>333,554</b>	
<b>PUBLIC WORKS:</b>							
Public works.....	50,086,487	13,380	237,086	553,780	81,109	2,462,903	46,738,229
Building maintenance.....	225	225					
<b>TOTAL PUBLIC WORKS.....</b>	<b>50,086,712</b>	<b>13,605</b>	<b>237,086</b>	<b>553,780</b>	<b>81,109</b>	<b>2,462,903</b>	<b>46,738,229</b>
<b>COMMUNITY SERVICES:</b>							
Community development.....	60,921		60,921				
Social services.....	664,355	12,496		625,405	6,600	19,854	
Library services.....	2,764,160	433	14,117	2,749,610			
Recreation.....	9,915,218	2,912,667	6,805,759	98,969		97,823	
Daycare.....	1,856,909		1,801,232			55,677	
<b>TOTAL COMMUNITY SERVICES.....</b>	<b>15,261,563</b>	<b>2,923,596</b>	<b>6,880,797</b>	<b>5,275,216</b>	<b>6,600</b>	<b>173,354</b>	
<b>EDUCATION.....</b>	<b>19,148,805</b>	<b>1,603,459</b>	<b>21,705</b>	<b>17,113,701</b>	<b>119,007</b>	<b>290,933</b>	
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 87,108,398</b>	<b>\$ 4,547,269</b>	<b>\$ 7,251,651</b>	<b>\$ 24,718,157</b>	<b>\$ 206,716</b>	<b>\$ 3,646,376</b>	<b>\$ 46,738,229</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**TOWN OF MANSFIELD, CONNECTICUT**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2003**

	BALANCE JULY 1, 2002	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2003
<b>GENERAL GOVERNMENT:</b>				
General government.....	\$ 2,100,026	\$ 127,649	\$ 56,812	\$ 2,170,863
Town manager.....	17,638			17,638
Finance.....	48,063	4,000		52,063
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>2,165,727</b>	<b>131,649</b>	<b>56,812</b>	<b>2,240,564</b>
<b>PUBLIC SAFETY:</b>				
Police protection.....	303,945	24,614	21,870	306,689
Fire protection.....	64,065			64,065
<b>TOTAL PUBLIC SAFETY.....</b>	<b>368,010</b>	<b>24,614</b>	<b>21,870</b>	<b>370,754</b>
<b>PUBLIC WORKS:</b>				
Public works.....	49,649,884	572,556	135,953	50,086,487
Building maintenance.....	225			225
<b>TOTAL PUBLIC WORKS.....</b>	<b>49,650,109</b>	<b>572,556</b>	<b>135,953</b>	<b>50,086,712</b>
<b>COMMUNITY SERVICES:</b>				
Community development.....		60,921		60,921
Social services.....	657,755	6,600		664,355
Library services.....	2,744,544	2,128,617	2,109,001	2,764,160
Recreation.....	4,735,204	5,180,014		9,915,218
Daycare.....	1,850,279	21,489	14,859	1,856,909
<b>TOTAL COMMUNITY SERVICES.....</b>	<b>9,987,782</b>	<b>7,397,641</b>	<b>2,123,860</b>	<b>15,261,563</b>
<b>EDUCATION.....</b>	<b>18,903,195</b>	<b>1,187,973</b>	<b>942,363</b>	<b>19,148,805</b>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 81,074,823</b>	<b>\$ 9,314,433</b>	<b>\$ 3,280,858</b>	<b>\$ 87,108,398</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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**Statistical  
Section**

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TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION - LEGAL BASIS  
 LAST TEN YEARS  
 (UNAUDITED)

YEAR ENDED JUNE 30,	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	COMMUNITY SERVICES	COMMUNITY DEVELOPMENT	TOWNWIDE EXPENDITURES	EDUCATION	OTHER FINANCING USES	TOTAL
1994	\$ 889,954	\$ 1,350,882	\$ 1,602,355	\$ 1,062,415	\$ 130,156	\$ 942,054	\$ 13,496,645	\$ 1,185,899	\$ 20,660,360
1995	929,984	1,403,773	1,616,563	1,115,199	166,218	1,013,612	14,214,737	1,137,175	21,597,261
1996	977,715	1,491,371	1,729,382	1,037,240	167,890	1,039,842	15,204,498	872,820	22,520,758
1997	1,009,285	1,614,622	1,807,275	1,069,634	174,820	1,059,299	15,748,407	739,990	23,223,332
1998	1,049,878	1,631,352	1,843,902	1,119,117	192,184	931,908	16,444,216	614,030	23,826,587
1999	1,159,897	1,713,029	1,903,971	1,198,303	192,951	1,001,372	17,773,635	519,800	25,462,958
2000	1,195,987	1,770,406	1,977,546	1,272,877	198,665	1,404,531	18,825,068	1,079,010	27,724,090
2001	1,202,950	1,874,607	2,034,687	1,344,820	221,358	976,679	20,141,467	972,300	28,768,868
2002	1,255,989	2,020,518	2,120,223	1,393,825	209,910	1,122,799	21,359,902	701,200	30,184,366
2003	1,248,345	2,146,836	2,126,809	1,350,537	246,390	1,197,749	22,150,888	594,000	31,061,554

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
 BY SOURCE - LEGAL BASIS  
 LAST TEN YEARS  
 (UNAUDITED)

YEAR ENDED JUNE 30,	PROPERTY TAXES	INTER-GOVERNMENTAL	INVESTMENT INCOME	CHARGES FOR SERVICES	OTHER LOCAL REVENUES	OTHER FINANCING SOURCES	TOTAL
1994	\$ 11,484,046	\$ 8,267,354	\$ 240,188	\$ 260,652	\$ 587,693	\$ 2,500	\$ 20,842,433
1995	11,922,500	8,680,559	356,576	198,599	638,267	2,500	21,799,001
1996	12,181,667	9,176,815	389,665	221,542	658,470	2,500	22,630,659
1997	12,563,158	9,324,443	366,049	242,438	628,472	2,500	23,127,060
1998	12,758,771	9,525,318	358,703	257,645	846,646	2,500	23,749,583
1999	12,940,544	11,946,789	336,807	295,936	770,254	2,500	26,292,830
2000	13,146,253	12,102,197	500,425	268,159	686,724	2,500	26,706,258
2001	13,606,800	13,214,464	520,000	320,913	555,570	63,600	28,281,347
2002	14,378,934	14,075,262	417,270	328,630	597,373	75,000	29,872,469
2003	15,664,773	13,451,626	239,331	674,429	6,195	965,090	31,001,444

## TOWN OF MANSFIELD, CONNECTICUT

TAX RATES, LEVIES AND CASH COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30,	GENERAL FUND MILL RATE	ADJUSTED TOTAL LEVY	CURRENT TAX COLLECTIONS AT JUNE 30, OF ASSMT YEAR	% OF LEVY COLLECTED JUNE 30 OF COLLECTION YR.	DELINQUENT TAX COLLECTIONS (1)	TOTAL TAXES COLLECTED - ALL YEARS	% OF TOTAL TAXES COLLECTED TO LEVY - ALL YEARS	OUTSTANDING DELINQUENT TAXES	% OF DELINQUENT TAXES TO LEVY
1994	25.56	\$ 11,419,076	\$ 11,141,865	97.57%	\$ 231,705	\$ 11,373,570	99.60%	\$ 481,597	4.22%
1995	25.56	11,873,898	11,585,811	97.57%	204,692	11,790,503	99.30%	517,703	4.36%
1996	25.56	12,135,017	11,845,396	97.61%	226,370	12,071,766	99.48%	560,326	4.62%
1997	25.56	12,390,572	12,138,400	97.96%	294,409	12,432,809	100.34%	482,608	3.89%
1998	25.56	12,628,492	12,358,968	97.87%	264,946	12,623,914	99.96%	458,389	3.63%
1999	25.56	12,800,236	12,577,950	98.26%	254,909	12,832,859	100.25%	369,048	2.88%
2000	25.56	13,053,176	12,845,242	98.41%	220,258	13,065,500	100.09%	339,276	2.60%
2001	26.13	13,552,260	13,332,848	98.38%	169,372	13,502,220	99.63%	365,067	2.69%
2002	26.35	14,333,193	14,136,410	98.63%	186,235	14,322,645	99.93%	375,327	2.62%
2003	27.50	15,487,465	15,204,716	98.17%	193,449	15,398,165	99.42%	476,481	3.08%

Source: Town of Mansfield Tax Collector's Department.

(1) Includes overcollection of taxes and suspense collections.

TOWN OF MANSFIELD, CONNECTICUT

TAXABLE GRAND LIST 1992-2001  
LAST TEN YEARS  
(UNAUDITED)

GRAND LIST AS OF OCTOBER 1, *	RESIDENTIAL REAL ESTATE		UTILITIES COMMERCIAL AND INDUSTRIAL REAL PROPERTY		ALL LAND		PERSONAL PROPERTY		MOTOR VEHICLE **	PERCENT	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST
	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT					
1992	\$ 323,291,800	72%	\$ 67,766,580	15%	\$ 10,532,590	2%	\$ 15,682,274	4%	\$ 30,293,460	7%	\$ 447,566,704	\$ 2,869,600	\$ 444,697,104
1993	328,556,570	71%	69,996,850	15%	10,191,630	2%	16,894,385	4%	36,649,845	8%	462,289,280	2,605,290	459,683,990
1994	332,408,430	70%	72,266,530	15%	10,248,840	2%	17,394,910	4%	41,547,586	9%	473,866,296	2,535,370	471,330,926
1995	337,911,010	70%	72,702,035	15%	10,058,590	2%	16,390,293	3%	47,090,381	10%	484,152,309	2,507,219	481,645,090
1996	342,739,780	70%	73,491,425	15%	9,897,720	2%	17,251,459	4%	49,425,720	10%	492,806,104	2,599,686	490,206,418
1997	345,860,180	69%	74,042,470	15%	9,908,730	2%	18,064,828	4%	50,685,753	10%	498,561,961	2,840,947	495,721,014
1998	350,781,980	69%	74,462,330	15%	9,897,195	2%	18,734,640	4%	55,339,852	11%	509,215,997	3,330,471	505,885,526
1999	355,732,580	69%	74,608,010	14%	9,114,790	2%	18,961,001	4%	57,169,897	11%	515,586,278	3,359,497	512,226,781
2000	393,635,960	73%	62,007,250	11%	4,300,240	1%	19,819,353	4%	61,593,730	11%	541,356,533	3,609,393	537,747,140
2001	402,098,470	72%	67,035,210	12%	3,370,640	1%	23,498,820	4%	63,581,361	11%	559,584,501	3,937,436	555,647,065

\* Total after changes by Board of Tax Review.

\*\* The Supplemental Motor Vehicle Grand List is included in the Motor Vehicle Totals.

TOWN OF MANSFIELD, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(UNAUDITED)

AS OF OCTOBER 1,	REAL ESTATE ASSESSED VALUATION	REAL ESTATE ESTIMATED TRUE VALUE	MOTOR VEHICLES ASSESSED VALUATION	PERSONAL PROPERTY ASSESSED VALUATION	TOTAL MOTOR VEHICLES AND PERSONAL PROPERTY ASSESSED VALUATION	TOTAL MOTOR VEHICLES AND PERSONAL PROPERTY ESTIMATED TRUE VALUE	TOTAL GROSS ASSESSED VALUATION	TOTAL EXEMPTIONS	TOTAL NET ASSESSED GRAND LIST *	TOTAL ESTIMATED TRUE VALUE	RATIO ASSESSED VALUE TO TRUE VALUE TOTAL **
1992	\$ 401,590,970	\$ 560,959,580	\$ 30,293,460	\$ 15,682,274	\$ 45,975,734	\$ 65,679,620	\$ 447,566,704	\$ 2,869,600	\$ 444,697,104	\$ 626,639,200	0.7097
1993	408,745,050	575,697,253	36,649,845	16,894,385	53,544,230	76,491,757	462,289,280	2,605,290	459,683,990	652,189,010	0.7048
1994	414,923,530	568,388,397	41,547,856	17,394,910	58,942,766	84,203,951	473,866,296	2,535,370	471,330,926	652,592,348	0.7222
1995	420,671,635	580,237,701	47,090,381	16,390,293	63,480,674	90,686,677	484,152,309	2,507,219	481,645,090	670,924,378	0.7179
1996	426,128,925	594,322,071	49,425,720	17,251,459	66,677,179	95,253,113	492,806,104	2,599,686	490,206,418	689,575,184	0.7109
1997	429,809,680	596,957,890	50,685,753	18,066,528	68,752,281	98,217,544	498,561,961	2,840,947	495,721,014	695,175,434	0.7131
1998	435,141,505	604,362,830	55,339,852	18,734,640	74,074,492	105,820,700	509,215,997	3,330,471	505,885,526	710,183,530	0.7123
1999	439,455,380	618,951,239	57,169,897	18,961,001	76,130,898	108,738,425	515,586,278	3,359,497	512,226,781	727,709,664	0.7039
2000	459,943,450	620,496,157	61,593,730	19,819,353	81,413,083	116,304,404	541,356,533	3,609,393	537,747,140	736,800,561	0.7298
2001	472,504,320	672,909,028	63,581,361	23,498,820	87,080,181	124,400,258	559,584,501	3,937,436	555,647,065	797,309,286	0.6969

\* Total net Grand List is the final Grand List figure after all changes are made by the Board of Tax Review.

\*\* This figure is based on the ratio of assessments for a given Grand List year to actual fair market value for that given Grand List year.

TABLE 6

TOWN OF MANSFIELD, CONNECTICUT

PRINCIPAL TAXPAYERS  
 GRAND LIST OCTOBER 1, 2001  
 (UNAUDITED)

TAXPAYER	NATURE OF BUSINESS	ASSESSED VALUE OCTOBER 1, 2001	% OF TAXABLE GRAND LIST *
Connecticut Light & Power	Public Utility	\$ 5,791,440	1.04%
Colonial BT LLC	Colonial Apartments	4,856,250	0.87%
Hayes-Kaufman Partnership	Big Y Plaza	4,653,900	0.84%
Nathan Hale Inn	Hotel	4,492,390	0.81%
New Samaritan Corp.	Medical Care	4,114,560	0.74%
Mansfield-Eastbrook Dev Corp LLC	Eastbrook Mall	3,825,840	0.69%
ConnTech Development Corp.	Apartments	3,645,880	0.66%
Glen Ridge Cooperative, Inc.	Co-Op Housing	3,464,980	0.62%
Orchard Acres Associates	Apartments/Condos	2,457,520	0.44%
First Phillips Inc.	Apartments	2,123,840	0.38%
TOTAL		<u>\$ 39,426,600</u>	<u>7.09%</u>

\* Based on a Net Taxable Grand List for October 1, 2001 of \$555,647,065.

## TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
JUNE 30, 2003  
(UNAUDITED)

TOTAL TAX COLLECTIONS (including interest and lien fees) for the year ended June 30, 2003.....	\$ 15,491,995
REIMBURSEMENT FOR REVENUE LOSS: Tax relief for elderly freeze.....	<u>2,304</u>
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 15,494,299</u>

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 34,862,173	\$	\$	\$	\$
4 1/2 times base.....		69,724,346			
3 3/4 times base.....			58,103,621		
3 1/4 times base.....				50,356,472	
3 times base.....					46,482,897
TOTAL DEBT LIMITATION.....	<u>34,862,173</u>	<u>69,724,346</u>	<u>58,103,621</u>	<u>50,356,472</u>	<u>46,482,897</u>
INDEBTEDNESS:					
Bonds payable.....	3,465,000	3,075,000			
Town portion of Regional School District No. 19 bonds payable - net.....		4,205,731			
School building grants.....		(1,398,100)			
NET INDEBTEDNESS (1).....	<u>3,465,000</u>	<u>5,882,631</u>			
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....	<u>\$ 31,397,173</u>	<u>\$ 63,841,715</u>	<u>\$ 58,103,621</u>	<u>\$ 50,356,472</u>	<u>\$ 46,482,897</u>

(1) The total of the above net indebtedness amounts to: \$ 9,347,631

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 108,460,093

**TOWN OF MANSFIELD, CONNECTICUT**

**RATIO OF DEBT TO GRAND LIST AND  
DEBT PER CAPITA  
LAST TEN YEARS  
(UNAUDITED)**

<b>YEAR ENDED JUNE 30,</b>	<b>ESTIMATED POPULATION(1)</b>	<b>GRAND LIST (2)</b>	<b>GROSS DEBT - END OF YEAR</b>	<b>PERCENT DEBT TO ASSESSED VALUE</b>	<b>GROSS DEBT PER CAPITA</b>
1994	19,882	\$ 444,697,104	\$ 4,779,108	1.07%	\$ 240
1995	19,620	459,683,990	4,583,561	1.00%	234
1996	19,624	471,330,926	3,637,512	0.77%	185
1997	19,500	481,645,090	7,917,754	1.64%	406
1998	19,350	490,206,418	6,982,065	1.42%	361
1999	20,000	495,721,014	8,346,376	1.68%	417
2000	20,720	505,885,526	7,410,688	1.46%	358
2001	21,000	512,226,781	8,805,000	1.72%	419
2002	22,000	537,747,140	7,715,000	1.43%	351
2003	23,700	555,647,065	6,540,000	1.18%	276

(1) Includes University of Connecticut dormitories and The Northeast Correctional Center.

(2) The Grand List is as of October 1 of two years prior to year end (i.e., for 2002-03 the list is as of October 1, 2001).

**TABLE 9****TOWN OF MANSFIELD, CONNECTICUT****PAYMENTS TO REGIONAL SCHOOL DISTRICT NO. 19  
LAST TEN YEARS  
(UNAUDITED)**

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<b>YEAR ENDED JUNE 30,</b>	<b>AMOUNT</b>	<b>PERCENT OF REGIONAL SCHOOL DISTRICT NO. 19 ASSESSMENT</b>
1994	\$ 3,659,420	75.0 %
1995	3,721,678	53.0 %
1996	4,230,978	55.0 %
1997	4,317,180	52.0 %
1998	4,668,708	54.60 %
1999	5,317,030	57.10 %
2000	5,556,219	53.99 %
2001	6,130,250	54.74 %
2002	6,600,509	55.32%
2003	7,143,856	56.28%

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TOWN OF MANSFIELD, CONNECTICUT

COMPUTATION OF DIRECT AND OVERLAPPING INDEBTEDNESS  
 JUNE 30, 2003  
 (UNAUDITED)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO MANSFIELD	MANSFIELD SHARE OF DEBT
Town of Mansfield	\$ 6,540,000	100.00%	\$ 6,540,000
Regional School District No. 19	7,579,259 *	55.49%	<u>4,205,731</u>
Total direct and overlapping indebtedness			10,745,731
Less: School building grants			<u>1,398,100</u>
Net Direct and Overlapping Indebtedness			<u>\$ 9,347,631</u>

\* Debt is net of school grants receivable of approximately \$17,570,741 and includes \$150,000 of debt reported in Town of Ashford general long-term obligations.

**TOWN OF MANSFIELD, CONNECTICUT**

**RATIO OF DEBT SERVICE EXPENDITURES TO  
GENERAL FUND EXPENDITURES - LEGAL BASIS  
LAST TEN YEARS  
(UNAUDITED)**

<b>YEAR ENDED JUNE 30,</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>GROSS DEBT SERVICE *</b>	<b>TOTAL GENERAL GOVERNMENT EXPENDITURES **</b>	<b>PERCENT</b>
1994	\$ 933,635	\$ 798,625	\$ 1,732,260	\$ 20,660,360	8.38%
1995	1,040,689	732,183	1,772,872	21,597,261	8.21%
1996	1,035,689	659,552	1,695,241	22,520,758	7.53%
1997	1,050,689	587,586	1,638,275	23,223,332	7.05%
1998	743,839	417,489	1,161,328	23,826,587	4.87%
1999	710,689	582,869	1,293,558	25,462,958	5.08%
2000	710,689	479,003	1,189,692	27,724,090	4.29%
2001	880,689	392,723	1,273,412	28,768,868	4.43%
2002	865,000	447,352	1,312,352	30,184,366	4.35%
2003	950,000	398,975	1,348,975	31,061,554	4.34%

\* Does not include credit for Connecticut Department of Education school building grants.

\*\* Total General Fund expenditures includes other financing uses.

TOWN OF MANSFIELD, CONNECTICUT

SEWER ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30,	SPECIAL ASSESSMENT BILLINGS	SPECIAL ASSESSMENT COLLECTED *	PERCENTAGE COLLECTED
1994	\$ 7,805	\$ 7,805	100%
1995	10,689	10,689	100%
1996	2,016	2,016	100%
1997	2,906	2,906	100%
1998	4,000	4,000	100%
1999	2,800	2,800	100%
2000	3,600	3,600	100%
2001	4,000	4,000	100%
2002	8,069	8,069	100%
2003	4,296	4,296	100%

\* Includes prepayments.

**TOWN OF MANSFIELD, CONNECTICUT**

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30,	(1) POPULATION		PER CAPITA INCOME	(1) MEDIAN AGE	(2) SCHOOL ENROLLMENT	(1) UNEMPLOYMENT PERCENTAGE
1994	19,882 *		\$ 24,000	21.8 *	1,680	3.1
1995	19,620 *		24,500	22.2 *	1,729	2.8 *
1996	19,624 *		25,500	22.4 *	1,738	3.3
1997	19,500 *		26,000	22.4 *	1,798	2.8
1998	19,350 *		26,856	22.5 *	1,958	2.8
1999	20,000 *		27,500 (1)*	22.5 *	1,964	2.5
2000	20,720 (3)		28,500 (1)*	22.5 *	2,004	2.0 *
2001	21,600 *		29,500 (1)*	22.0 *	2,036	2.5 *
2002	22,000 *		29,500 (1)*	22.0 *	2,048	2.0 *
2003	23,700 *		29,000 (1)*	21.8 *	2,090	2.0 *

\* Estimates

Data Sources

(1) Mansfield Town Planner.

(2) Town and Region School Officials.

(3) 2000 Census.

## TOWN OF MANSFIELD, CONNECTICUT

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30,	(1) COMMERCIAL CONSTRUCTION		(1) RESIDENTIAL CONSTRUCTION		NUMBER OF UNITS	VALUE	(2) BANK DEPOSITS (IN THOUSANDS)	(3) PROPERTY VALUES		NONTAXABLE
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE				COMMERCIAL	RESIDENTIAL	
1994	28	\$ 663,280	292	\$ 6,835,670			\$ 214,340	\$ 115,736,720	\$ 459,960,530	\$ 594,674,250
1995	46	1,649,663	275	6,591,126			214,340	119,260,110	464,041,090	598,995,833
1996	29	1,649,334	274	7,247,292			224,472	120,966,460	466,084,415	603,161,520
1997	44	3,614,546	261	4,726,592			238,225	121,010,160	478,019,220	614,811,960
1998	36	765,765	272	7,185,979			238,604	121,104,010	481,206,160	619,827,940
1999	27	2,658,288	354	9,724,624			248,302	121,615,290	483,684,120	626,440,860
2000	27	1,168,650	316	11,351,078			290,329	121,622,410	511,564,040	675,813,570
2001	30	5,204,727	293	9,006,212			300,300	88,553,186	568,507,585	652,093,242
2002	31	1,067,880	359	11,147,163			324,556	91,209,781	631,043,419	678,176,971
2003	25	1,555,383	281	9,626,738			345,069	94,030,702	851,908,615	712,085,819

(1) Based on building permits issued by the Town Department of Building and Zoning Codes. Property values are estimated construction costs.

(2) Bank deposits include balances in commercial banks, savings banks, and savings and loan associations. Data obtained from FDIC website.

(3) Estimated value provided by the Town Assessor's Office, based upon assessments/sales ratio data.

**TOWN OF MANSFIELD, CONNECTICUT**

MISCELLANEOUS STATISTICS  
 JUNE 30, 2003  
 (UNAUDITED)

Incorporated:	1702		
Form of Government:	Council/Manager, Town Meeting		
Area:	45.1 square miles	Education:	
Miles of streets	104.56	Number of schools	4
		Number of certified staff (equivalent full-time)	144.4
Building permits (residential):		Student enrollment:	
Permits issued	281	Elementary	1,428
Estimated costs	\$9,626,738	High school	662
Fire protection:			
Number of stations	3		
Number of firemen:		Election:	
Volunteers	72	Registered voters	7,313
Equivalent full-time	18		
Police protection:		Population:	
Number of stations	1	1960 (census)	14,638
Number of employees (equiv. full-time)	6.0	1970 (census)	19,994
		1980 (census)	20,634
		1990 (census)	21,103
		1999-00 (census)	20,720
Parks and Recreation:		2000-01 (estimate)	21,000
Number of park facilities	9	2001-02 (estimate)	22,000
Acres of land	1,434	2002-03 (estimate)	23,700
Programs	443		
Participants	9,300		
Sanitary sewers:		Number of paid employees: (including schools)	
Miles of sewers	4.15	Equivalent full-time positions	378.4
Pump stations	1		

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**Federal  
Single  
Audit**

---

**TOWN OF MANSFIELD, CONNECTICUT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through State Department of Administrative Services:			
Food Donation.....	10.550		\$ 22,345
Passed through State Department of Education:			
School Breakfast Program.....	10.553		14,941
National School Lunch Program.....	10.555		72,077
Special Milk Program for Children.....	10.556		1,121
Child and Adult Care Food Program.....	10.558		27,247
Direct Program:			
Rural Business Enterprise Grants.....	10.769		<u>35,000</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE.....			<u>172,731</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>			
Passed through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program.....	14.228	1999-078-002-052-001A	92,448
Community Development Block Grants/State's Program.....	14.228	2002-078-001-052-001A	6,813
Community Development Block Grants/State's Program.....	14.228	2002-078-002-052-001A	29,979
Community Development Block Grants/State's Program.....	14.228	2002-078-004-052-001A	<u>13,328</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.....			<u>142,568</u>
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
Direct Program:			
Recreation Resource Management.....	15.225		<u>2,348</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION:</u></b>			
Passed through State Department of Transportation:			
Highway Planning and Construction.....	20.205		107,475
State and Community Highway Safety.....	20.600		<u>16,001</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION.....			<u>123,476</u>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY:</u>			
Passed through State Office of Policy and Management:			
Public Assistance Grants.....	83.544		\$ 16,693
Passed through State Department of Military:			
Emergency Management Performance Grants.....	83.552		<u>11,152</u>
TOTAL U.S. DEPARTMENT OF EDUCATION.....			<u>27,845</u>
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies.....	84.010	861-200030101	148
Title I Grants to Local Educational Agencies.....	84.010	861-300030101	147,316
Special Education - Grants to States.....	84.027	962-300031101	187,212
Special Education - Preschool Grants.....	84.173	963-200031101	1,833
Special Education - Preschool Grants.....	84.173	963-300031101	14,727
Safe and Drug-free Schools and Communities - State Grants.....	84.186	929-200031101	3,881
Safe and Drug-free Schools and Communities - State Grants.....	84.186	929-300030101	1,595
Goals 2000 - State and Local Education Systemic Improvement Grants.....	84.276	912-100000213	540
Innovative Education Program Strategies.....	84.298	942-200030101	6,595
Innovative Education Program Strategies.....	84.298	942-300030101	4,296
Technology Literacy Challenge Fund Grants.....	84.318	918-300001103	15,034
Technology Literacy Challenge Fund Grants.....	84.318	918-300002103	44,576
Technology Literacy Challenge Fund Grants.....	84.318	918-300030101	705
Improving Teacher Quality State Grants.....	84.367	924-300030101	<u>46,403</u>
TOTAL U.S. DEPARTMENT OF EDUCATION.....			<u>474,861</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed through State Department of Social Services:			
Social Services Block Grant.....	93.667		3,727
Passed through Northeast Communities Against Substance Abuse Inc.:			
Block Grants for Prevention and Treatment of Substance Abuse.....	93.959		<u>3,675</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.....			<u>7,402</u>
TOTAL FEDERAL AWARDS.....			<u>\$ 951,231</u>

(Concluded)

**TOWN OF MANSFIELD, CONNECTICUT**

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2003

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Mansfield, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is a summary of the more significant policy relating to federal awards:

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on the modified accrual basis of accounting and a current financial resources measurement focus. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments, and Non-profit Organizations.

**TOWN OF MANFIELD, CONNECTICUT**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2003**

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Summary Schedule of Prior Audit Findings

- There were no prior year audit findings or questioned costs.

TOWN OF MANSEFIELD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2003

I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unqualified opinion

Internal control over financial reporting:

Material weakness(es) identified?       yes   x  no

Reportable condition(s) identified  
not considered to be material weaknesses?       yes   x  none reported

Noncompliance material to financial statements noted?       yes   x  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified       yes   x  no

Reportable condition(s) identified  
not considered to be material weakness(es)?       yes   x  none reported

Type of auditors' report issued on compliance  
for major programs: Unqualified opinion

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)?       yes   x  no

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education - Grants to States

Dollar threshold used to distinguish  
between Type A and Type B programs: \$        300,000

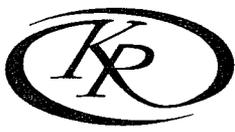
Auditee qualified as low-risk auditee?   x  yes       no

II - FINANCIAL STATEMENT FINDINGS

None

III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None



**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington • New London

Pond View Corporate Center  
76 Batterson Park Road  
Farmington, CT 06032

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRCCO  
Fax: (860) 678-6110  
Web: www.kostin.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Town Council  
Town of Mansfield, Connecticut

We have audited the basic financial statements of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of management, Town Council, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 19, 2004



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RUFFKESS  
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76 Batterson Park Road  
Farmington, CT 06032

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRCCO  
Fax: (860) 678-6110  
Web: www.kostin.com

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

Town Council  
Town of Mansfield, Connecticut

Compliance

We have audited the compliance of the Town of Mansfield, Connecticut, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2003. The Town's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

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



Town of Mansfield, Connecticut  
Page Two

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Town, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 19, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, Town Council, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 19, 2004

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**State  
Single  
Audit**

---

**TOWN OF MANSFIELD, CONNECTICUT**

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2003

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM IDENTIFICATION NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<b><u>OFFICE OF POLICY AND MANAGEMENT</u></b>			
Payment in Lieu of Taxes (PILOT) on			
State-Owned Property.....	0-1310-9801-701		\$ 4,549,319
Local Capital Improvement Program.....	0-1310-1870-010		208,948
Mashantucket Pequot/Mohegan Fund.....	0-1114-9802-701		2,128,664
Property Tax Relief for Totally Disabled Homeowners.....	0-1310-703		1,366
Property Tax Relief for Elderly Homeowners.....	0-1310-705		41,617
Property Tax Relief for Elderly Homeowners - Freeze Program.....	0-1310-706		2,304
Property Tax Relief for Veterans.....	0-1310-707		15,713
Drug Enforcement Program.....	0-1310-710	DEP 01/02	374 (1)
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles.....	0-1310-711		7,162
<b><u>STATE DEPARTMENT OF EDUCATION</u></b>			
Educational Technology Infrastructure.....	1873-7001-013	013-000000101	30,553
School Readiness and Child Care in Severe Need Schools.....	0-7001-016	016-000000103	95,285
Child Nutrition Program (School Lunch State Match).....	0-7001-608	608-000010181	5,842
Health Services.....	0-7001-713	713-000020001	11,714
School Breakfast.....	0-7001-732	732-000000034	3,000
School Breakfast.....	0-7001-732	732-000000036	134
Youth Services Bureau.....	0-7001-745	745-000030101	16,130
<b><u>STATE DEPARTMENT OF TRANSPORTATION</u></b>			
Town Aid Road Grants Transportation Fund.....	5000-714		100,881
<b><u>CONNECTICUT STATE LIBRARY</u></b>			
Construction Grants to Public Libraries.....	1873-7104-043		282,000
State Grants to Public Libraries.....	0-7104-701		2,372
Connecticard.....	0-7104-702		9,678
Historical Preservation Grant.....	0-7104-0000-361		5,000
<b><u>STATE DEPARTMENT OF SOCIAL SERVICES</u></b>			
Child Day Care (CDC).....	0-6100-706		235,541

(Continued)

(1) Refunded to State

TOWN OF MANSFIELD, CONNECTICUT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONCLUDED)

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM IDENTIFICATION NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>STATE DEPARTMENT OF ENVIRONMENTAL PROTECTION:</u>			
Composting Project.....	1177-3100-153		\$ 8,644
Open Space and Watershed Land Acquisition Program.....	3100-1873-172		50,000
<u>STATE MILITARY DEPARTMENT</u>			
Nuclear Safety Emergency Preparedness Fund.....	old 371/new 35191		6,435
<u>OFFICE OF THE STATE COMPTROLLER</u>			
Boat Grant.....	7042-1202		2,503
<u>STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT</u>			
Payment in Lieu of Taxes (PILOT).....	0-3500-039		<u>18,554</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....			<u>7,839,733</u>
<u>EXEMPT PROGRAMS:</u>			
<u>STATE DEPARTMENT OF EDUCATION:</u>			
Public School Transportation.....	0-7001-709	709-000010001	255,593
Education Cost Sharing.....	0-7001-719	719-000000001	8,509,487
Special Education - Agency Placement and Excess Costs.....	0-7001-733	733-000000156	26,684
Special Education - Agency Placement and Excess Costs.....	0-7001-733	733-000000158	28,522
School Construction Projects - Principal .....	0-7001-010	010-000000001	310,341
School Construction Projects - Interest.....	0-7001-010	010-000000151	110,023
School Construction Progress Payments.....	0-7001-010	010-000001001	<u>414,447</u>
TOTAL EXEMPT PROGRAMS.....			<u>9,655,097</u>
TOTAL STATE FINANCIAL ASSISTANCE.....			<u>\$ 17,494,830</u>
			(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2003

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Mansfield, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to state financial assistance.

Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance is presented on the modified accrual basis of accounting and a current financial resources measurement focus.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-5), certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

**TOWN OF MANSFIELD, CONNECTICUT**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2003**

---

**Summary Schedule of Prior Audit Findings**

- There were no prior year audit findings or questioned costs.

**TOWN OF MANSFIELD, CONNECTICUT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2003**

**I. SUMMARY OF AUDIT RESULTS**

- We audited the basic financial statements of the Town of Mansfield as of and for the year ended June 30, 2003, and issued our unqualified report thereon dated February 19, 2004.
- We have also issued our unqualified opinion dated February 19, 2004, on the Town of Mansfield's Schedule of Expenditures of State Financial Assistance in relation to the basic financial statements taken as a whole.
- The audit disclosed no reportable conditions in internal control over major State programs.
- We have issued an unqualified opinion relating to compliance for major State programs.
- The audit disclosed no audit findings.
- The following schedule reflects the major programs included in the audit:

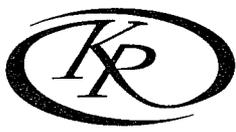
<b>State Grantor and Program</b>	<b>State Grant Program Identification Number</b>	<b>Expenditures</b>
OFFICE OF POLICY AND MANAGEMENT:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property.....	0-1310-9801-701	\$ 4,549,319
Mashantucket Pequot/Mohegan Fund.....	0-1114-9802-701	2,128,664
Local Capital Improvement Program.....	0-1310-1870-010	208,948
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants Transportation Fund.....	5000-714	100,881
CONNECTICUT STATE LIBRARY:		
Construction Grants to Public Libraries.....	1873-7104-043	282,000
DEPARTMENT OF SOCIAL SERVICES:		
Child Day Care (CDC).....	0-6100-706	235,541

**II. SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED UNDER  
GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

- We issued our report dated February 19, 2004, on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no reportable conditions.

**III. SUMMARY OF FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE**

- There were no findings or questioned costs.



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RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington • New London

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76 Batterson Park Road  
Farmington, CT 06032

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRCCO  
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Town Council  
Town of Mansfield, Connecticut

We have audited the basic financial statements of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of management, the Town Council, and state awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 19, 2004



**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington • New London

Pond View Corporate Center  
76 Batterson Park Road  
Farmington, CT 06032

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRKO  
Fax: (860) 678-6110  
Web: www.kostin.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT AND ON THE  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Town Council  
Town of Mansfield, Connecticut

Compliance

We have audited the compliance of the Town of Mansfield, Connecticut, with the types of compliance requirements described in the Office of Policy and Management Compliance Supplement that are applicable to each of its major state programs for the year ended June 30, 2003. The major state programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Mansfield's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act.



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

Schedule of Expenditures of State Financial Assistance

We have audited the basic financial statements of the Town as of and for the year ended June 30, 2003, and have issued our report thereon dated February 19, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Town Council, and state awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

*Kostin, Ruffkless & Company, LLC*

Farmington, Connecticut  
February 19, 2004