

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF MANSFIELD,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2005

**PREPARED BY:
THE FINANCE DEPARTMENT**

JEFFREY H. SMITH, DIRECTOR OF FINANCE

TOWN OF MANSFIELD, CONNECTICUT

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AS OF AND FOR THE YEAR ENDED JUNE 30, 2005
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Introductory Section

TOWN OF MANSFIELD
OFFICE OF THE FINANCE DIRECTOR



JEFFREY H. SMITH, Director of Finance

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November 16, 2005

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. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Town of Mansfield for the fiscal year ended June 30, 2005.

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, 2005, 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, 2005, 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 \$2.5 million to acquire open space land. During this period the Town has purchased twenty-seven properties totaling over 743 acres of land. The Town currently owns over 1,900 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. 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. In the current FY 2005/06, our State PILOT payment (Payments-in-Lieu of Taxes) was \$553,084 more than the adopted budget.

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 \$173,845 in 2005, compared to \$111,612 in 2004, mainly due to increasing 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, 2004. 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 (0.5%) 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.

FUND BALANCE GOALS

- 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.
- Increase the undesignated fund balance from three percent of the general fund operating budget to five percent.
- Establish a policy not to use fund balance as a source of financing future years operating budgets.
- Transfer any fund balance in excess of five percent to the CNR Fund for one-time expenditures.

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.

OPERATING EXPENDITURES PERFORMANCE GOALS (CONTINUED)

- 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 revenues 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 MANSEFIELD, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS

Town Council

Elizabeth Paterson, Mayor
Greg Haddad, Deputy Mayor
Alison Whitham Blair
Bruce Clouette
Alan Hawkins
Helen Koehn
Christopher Paulhus
Caroline Redding
Carl Schaefer

Martin H. Berliner
Town Manager

Matthew W. Hart
Assistant Town Manager

Jeffrey H. Smith
Director of Finance

Cheryl A. Trahan
Controller/Treasurer

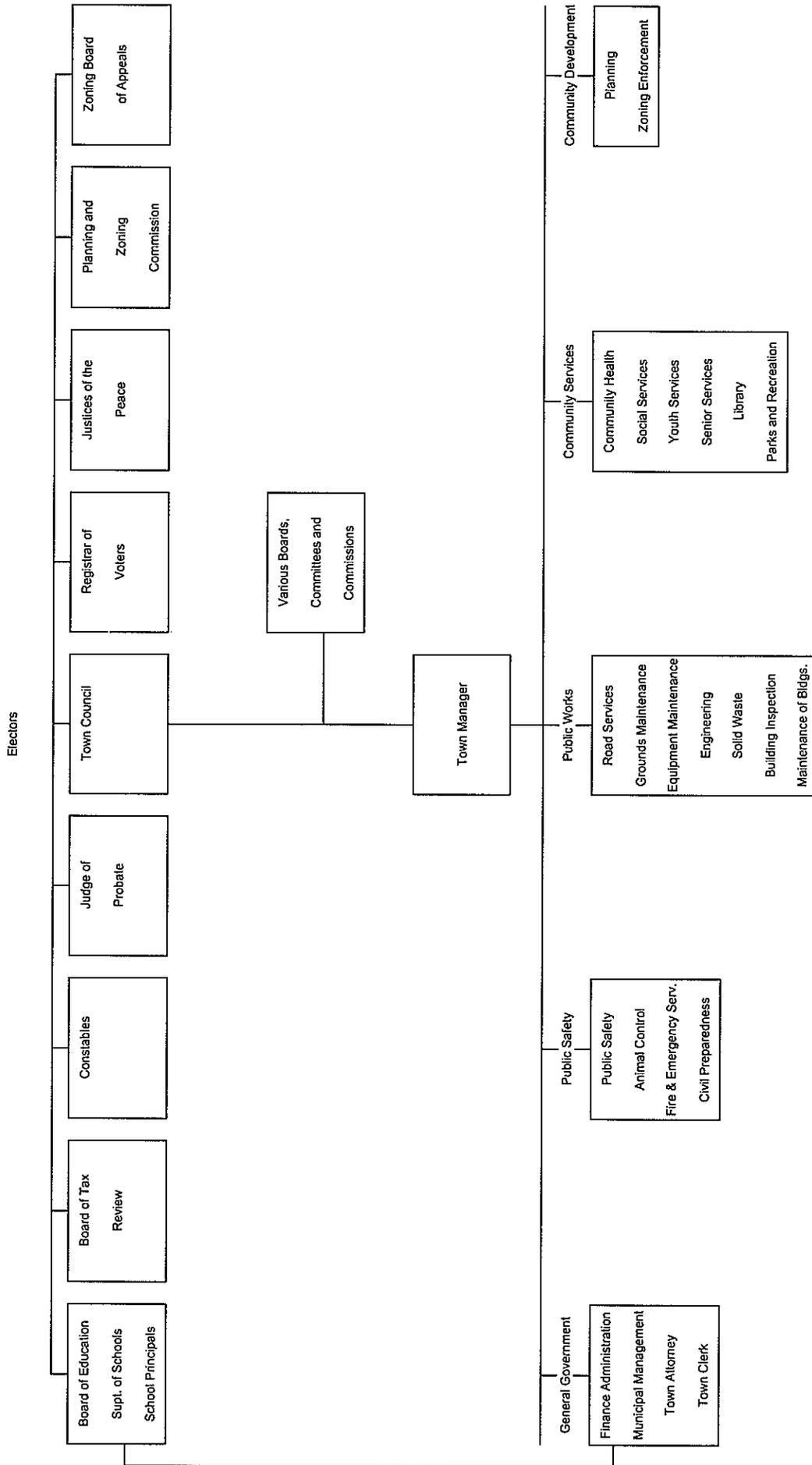
Irene La Pointe
Assessor

Christine Gamache
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, 2004

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.



Nancy L. Zjella

President

Jeffrey R. Emery

Executive Director

Financial Section



**KOSTIN,
RUFFKESS
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

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Springfield, MA

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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, 2005, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the 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, 2005, 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 November 16, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis on pages 15 through 23 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.



November 16, 2005
Page Two

Our audit was conducted 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 stated 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.

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
November 16, 2005



TOWN OF MANSFIELD

OFFICE OF THE FINANCE DIRECTOR

JEFFREY H. SMITH, Director of Finance

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2005

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, 2005. 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 \$68,142,317 (*net assets*). Of this amount, \$777,952 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$1,647,958. The significant contributors to this was positive operations in the General Fund (\$552,022) and significant tax collections received in the prior year but earned in the current year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,967,764, an increase of \$144,702 in comparison with the prior year. Approximately 27.3% of this total amount, \$1,355,466, is *available for spending* at the Town's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,568,102 or 4.5% of total general fund expenditures.
- The Town's total long-term obligations decreased by \$1,624,095 during the current fiscal year. The key factors in this decrease were principal payments on bonded debt of \$980,000, an early retirement incentive decrease of \$210,437 and a \$560,792 decrease in accrued compensated absences and a \$109,714 increase in post employee benefit obligation.

Overview of the Basic 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 Basic 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 Exhibits A and B 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, Mansfield discretionary fund and the capital projects fund, all of which are considered to be major funds. Data from the other 11 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 Basic 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 (Exhibit F).

The basic governmental fund financial statements can be found on Exhibits C and D.

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 and mailing 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 Exhibits G, H, and I.

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 Exhibits J and K.

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 Exhibit L.

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.

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 Town's financial position. In the case of the Town, assets exceeded liabilities by \$68,142,317 at the close of the most recent fiscal year.

**TOWN OF MANSFIELD NET ASSETS
JUNE 30, 2005**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets.....	\$ 11,661,934	\$ 12,411,803	\$ 527,849	\$ 583,549	\$ 12,189,783	\$ 12,995,352
Capital assets (net).....	67,523,686	67,559,841	871,322	925,951	68,395,008	68,485,792
TOTAL ASSETS.....	79,185,620	79,971,644	1,399,171	1,509,500	80,584,791	81,481,144
Long-term liabilities outstanding.....	8,839,749	8,447,597	147,992	23,990	8,987,741	8,471,587
Other liabilities.....	3,375,982	6,252,613	78,751	142,585	3,454,733	6,395,198
TOTAL LIABILITIES.....	12,215,731	14,700,210	226,743	166,575	12,442,474	14,866,785
Net assets:						
Invested in capital assets						
net of related debt.....	62,880,466	61,779,841	871,322	925,951	63,751,788	62,705,792
Restricted.....	3,612,577	840,920			3,612,577	840,920
Unrestricted.....	476,846	2,650,673	301,106	416,974	777,952	3,067,647
TOTAL NET ASSETS.....	\$ 66,969,889	\$ 65,271,434	\$ 1,172,428	\$ 1,342,925	\$ 68,142,317	\$ 66,614,359

By far the largest portion of the Town's net assets (94%) 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 (5.3 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$777,952) 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 Town as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

The Town's net assets increased by \$1,647,958 during the current fiscal year. This increase is a result of positive operations in the General Fund and significant tax collections received in the prior year but earned in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental activities. Governmental activities increased the Town's net assets by \$1,698,455, thereby accounting for the total increase in the net assets of the Town. Business-type activities decreased net assets by \$50,497.

Revenues

Governmental activities revenues totaled \$42,638,616 for fiscal year 2005. Property taxes are the largest revenue source for the Town and represent 43.5% of governmental revenues. Current tax collections were 98.4% 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 25.1% of governmental revenues for the year. Grants and contributions not restricted to specific programs account for 18.2% of governmental revenues and include property tax related grants.

The most significant fluctuations from the prior year amount were as follows:

- Charges for service increase by \$888,479 due to an increase in Community Center memberships and fees, and an increase in ambulance user fees recorded in the CNR Fund.
- Capital grants and contribution increased by \$785,495 due to the receipt of a FEMA grant, ISTEA grant, and an increase in the Town Aid Road grant.
- Property taxes increased by \$964,953 due to property revaluation and demand for services.
- Grants and contributions not restricted to specific programs increased by \$1,173,871 due to a \$1,546,617 increase in the PILOT grant offset by a reduction in the Pequot grant of \$374,873.

Expenses

Governmental expenses totaled \$40,940,161 for the fiscal year. Of the expenses, \$26,431,915 or 64.6% is related to education. Public works expenses amounted to \$3,698,504 or 9%. Community services expenses were \$4,886,361 or 11.9%, public safety expenses were \$2,775,110 or 6.8% and general government expenses were \$2,538,107 or 6.2%.

The most significant fluctuations from the prior year amount were as follows:

- Community services increased by \$474,231 due to the expansion of Community Center services.

All other changes in expenses paralleled growth in demand for services and inflation.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (continued)

**TOWN OF MANSFIELD CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
REVENUES:						
Program revenues:						
Charges for services.....	\$ 4,065,968	\$ 3,177,489	\$ 1,172,830	\$ 1,242,008	\$ 5,238,798	\$ 4,419,497
Operating grants and contributions.....	10,706,110	10,954,571	191,819	33,181	10,897,929	10,987,752
Capital grants and contributions.....	1,185,813	400,318			1,185,813	400,318
General revenues:						
Property taxes.....	18,524,910	17,559,957			18,524,910	17,559,957
Grants and contributions not restricted to specific programs.....	7,756,083	6,582,212			7,756,083	6,582,212
Investment income.....	312,972	176,649			312,972	176,649
Miscellaneous.....	86,760	100,226	2,157	4,525	88,917	104,751
TOTAL REVENUES.....	42,638,616	38,951,422	1,366,806	1,279,714	44,005,422	40,231,136
EXPENSES						
General government.....	2,538,107	2,417,854			2,538,107	2,417,854
Public safety.....	2,775,110	2,678,808			2,775,110	2,678,808
Public works.....	3,698,504	3,680,017			3,698,504	3,680,017
Community services.....	4,886,361	4,412,130			4,886,361	4,412,130
Community development.....	328,078	303,910			328,078	303,910
Education.....	26,431,915	26,897,222			26,431,915	26,897,222
Interest expense.....	282,086	276,633			282,086	276,633
Sewer department.....			153,202	152,480	153,202	152,480
Transfer station.....			1,264,101	1,108,927	1,264,101	1,108,927
TOTAL EXPENSES.....	40,940,161	40,666,574	1,417,303	1,261,407	42,357,464	41,927,981
INCREASE (DECREASE) IN NET ASSETS.....	1,698,455	(1,715,152)	(50,497)	18,307	1,647,958	(1,696,845)
NET ASSETS - JULY 1 (AS RESTATED).....	65,271,434	66,986,586	1,222,925	1,324,618	66,494,359	68,311,204
NET ASSETS - JUNE 30.....	\$ 66,969,889	\$ 65,271,434	\$ 1,172,428	\$ 1,342,925	\$ 68,142,317	\$ 66,614,359

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Business-type activities. Business-type activities decreased the Town's net assets by \$50,497. General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1,366,806 in total business-type revenues, over 85.8% came from charges for services, and 14% came from operating grants and contributions. Miscellaneous revenues make up the remaining revenue and are less than 1% of the Town's business-type activities

The sewer department expenses were \$153,202 in the fiscal year ended June 30, 2005, and the transfer station expenses were \$1,264,101. Transfer station expenses were higher by \$155,174 primarily due to landfill closing costs.

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 \$4,967,764, an increase of \$144,702 in comparison with the prior year. Approximately 27 percent of this total amount (\$1,355,466) 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 (\$2,953,327), 2) to pay debt service (\$136,939), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$366,679), 4) to pay contract commitments (\$153,701), or 5) for permanently restricted endowments (\$1,652).

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 \$1,568,102, while total fund balance reached \$1,656,703. 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 4.5% of total general fund expenditures, while total fund balance represents 4.8% of that same amount.

The fund balance of the Town's general fund increased by \$543,194 during the current fiscal year. The increase was attributable to revenue received in excess of budget, specifically conveyance taxes, building permits, police services, PILOT grant and property taxes.

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 \$186,053 for the fiscal year. This is a result of expenditures related to Community Center construction and various projects funded in 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 \$395,023 for the Sewer Operating fund, (\$93,917), for the Solid Waste Disposal fund, and \$719,249 for the Internal Service funds. The total increase (decrease) in net assets for the funds was \$25,766 for the Sewer Operating fund, (\$76,263) for the Solid Waste Disposal Fund, and (\$515,485) 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:

- \$99,837 in miscellaneous increases in general government activities
- \$59,860 in decreases allocated to public safety
- \$35,100 in increases allocated to the public works department
- \$ 610 in increases allocated to community services
- \$ 4,439 in decreases allocated to community development

During the year, revenues and other financing sources were more than budgetary estimates by \$548,416; expenditures were less than budgetary estimates by \$3,606. The revenue shortfall in investment income (\$100,000) due to a transfer of interest income to the CNR Fund, was offset by an increase in revenues from Charge for Services (\$398,860) which were substantially the result of town clerk fees related mortgage refinancing and an increase in building permit fees. Expenditures were right on budget.

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, 2005, amounts \$68,395,008 (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 decrease in the Town's investment in capital assets for the current fiscal year was \$90,784 and consisted of \$36,155 for governmental activities and \$54,629 for business-type activities. Capital Asset additions for the year of \$1,873,794 was offset by depreciation for the year in the amount of \$1,964,578.

TOWN OF MANSFIELD CAPITAL ASSETS

	(net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land.....	\$ 4,151,772	\$ 4,151,772	\$ 74,798	\$ 74,798	\$ 4,226,570	\$ 4,226,570
Construction in progress.....	2,203,936	1,366,951			2,203,936	1,366,951
Land improvements.....	971,665	737,814			971,665	737,814
Buildings.....	23,404,935	24,261,244	47,162	55,705	23,452,097	24,316,949
Improvements other than buildings.....	230,507	246,702			230,507	246,702
Machinery and equipment.....	1,253,322	1,204,453	148,780	170,525	1,402,102	1,374,978
Vehicles.....	1,343,874	1,265,102			1,343,874	1,265,102
Infrastructure.....	33,963,675	34,325,803			33,963,675	34,325,803
Pump station.....			126,976	130,372	126,976	130,372
Sewer distribution system.....			473,606	494,551	473,606	494,551
TOTAL.....	\$ 67,523,686	\$ 67,559,841	\$ 871,322	\$ 925,951	\$ 68,395,008	\$ 68,485,792

Additional information on the Town's capital assets can be found in Note III.C.

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 \$4,800,000. The entire amount is backed by the full faith and credit of the Town.

TOWN OF MANSFIELD OUTSTANDING DEBT
General Obligation Bonds

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
General Obligation Bonds – Town	\$ 2,775,000	\$ 3,210,000
General Obligation Bonds - School	<u>2,025,000</u>	<u>2,570,000</u>
TOTAL	<u>\$ 4,800,000</u>	<u>\$ 5,780,000</u>

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 \$128,681,014, 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.

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.

2005 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
2003	2.5	5.9	5.5	6.0
2004	3.4	5.2	4.9	5.5
January	3.8	5.5	5.2	5.2
February	3.7	5.6	5.3	5.4
March	4.0	5.3	5.0	5.2
April	3.8	5.1	4.8	5.2
May	4.8	5.5	5.3	5.1
June	5.0	5.7	5.4	5.0

The above factors were considered in preparing the Town’s budget for the 2006 fiscal year.

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 Town’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.

Basic Financial Statements

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2005

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	UNIT MANSFIELD DISCOVERY DEPOT, INC.
ASSETS				
Current assets:				
Cash.....	\$ 45,621	\$	\$ 45,621	\$ 200
Investments.....	8,234,562	459,685	8,694,247	237,607
Receivables:				
Property taxes.....	280,760		280,760	
Intergovernmental.....	424,363		424,363	
Loans.....	49,890		49,890	
Other.....	404,623	66,479	471,102	
Other assets.....	24,141		24,141	
Bond issue costs.....	6,185		6,185	
Total current assets.....	9,470,145	526,164	9,996,309	237,807
Noncurrent assets:				
Restricted assets:				
Temporarily restricted:				
Cash.....	48,761		48,761	
Permanently restricted:				
Investments.....	319,849		319,849	
Total restricted assets.....	368,610	-	368,610	-
Receivables (net):				
Property taxes.....	260,650		260,650	
Assessments.....	3,626		3,626	
Intergovernmental.....	581,474		581,474	
Loans.....	927,954		927,954	
Other.....		1,685	1,685	
Total receivables (net).....	1,773,704	1,685	1,775,389	-
Other noncurrent assets:				
Bond issue costs.....	49,475		49,475	
Capital assets (net of accumulated depreciation):				
Land.....	4,151,772	74,798	4,226,570	
Construction in progress.....	2,203,936		2,203,936	
Land improvements.....	971,665		971,665	
Buildings.....	23,404,935	47,162	23,452,097	
Improvements other than buildings.....	230,507		230,507	
Machinery and equipment.....	1,253,322	148,780	1,402,102	
Vehicles.....	1,343,874		1,343,874	
Infrastructure.....	33,963,675		33,963,675	
Pump station.....		126,976	126,976	
Sewer distribution system.....		473,606	473,606	
Total Capital assets (net of accumulated depreciation).....	67,523,686	871,322	68,395,008	-
Total noncurrent assets.....	69,715,475	873,007	70,588,482	-
TOTAL ASSETS.....	79,185,620	1,399,171	80,584,791	237,807

(Continued)

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2005

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	UNIT MANSFIELD DISCOVERY DEPOT, INC.
<u>LIABILITIES</u>				
Current liabilities:				
Cash overdraft.....	\$ 652,996	\$ 78,751	\$ 652,996	\$ 12,789
Accounts payable.....	937,820	78,751	1,016,571	12,789
Accrued liabilities.....	1,265,404		1,265,404	
Accrued interest payable.....	24,576		24,576	
Unearned revenue.....	495,186		495,186	
Total current liabilities.....	3,375,982	78,751	3,454,733	12,789
Noncurrent liabilities:				
Long-term liabilities due within one year.....	1,412,471	9,598	1,422,069	
Long-term liabilities due in more than one year.....	7,427,278	138,394	7,565,672	
Total Noncurrent liabilities.....	8,839,749	147,992	8,987,741	-
TOTAL LIABILITIES.....	12,215,731	226,743	12,442,474	12,789
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt.....	62,880,466	871,322	63,751,788	
Restricted for:				
Capital projects.....	153,701		153,701	
Perpetual care:				
Nonexpendable.....	366,679		366,679	
Endowments:				
Nonexpendable.....	1,652		1,652	
Expendable.....	279		279	
Debt service.....	136,939		136,939	
Other purposes.....	2,953,327		2,953,327	
Unrestricted.....	476,846	301,106	777,952	225,018
TOTAL NET ASSETS.....	\$ 66,969,889	\$ 1,172,428	\$ 68,142,317	\$ 225,018

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

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		
GOVERNMENTAL ACTIVITIES:								
General government.....	\$ 2,538,107	\$ 503,446	\$ 277,000	\$ 118,980	\$ (1,638,681)	\$ (1,638,681)	\$	
Public safety.....	2,775,110	224,262	30,052	186,277	(2,334,519)	(2,334,519)		
Public works.....	3,698,504	753,717	127,680	673,556	(2,143,551)	(2,143,551)		
Community services.....	4,886,361	1,722,586	450,589	207,000	(2,506,186)	(2,506,186)		
Community development.....	328,078	151,635			(176,443)	(176,443)		
Education.....	26,431,915	710,322	9,820,789		(15,900,804)	(15,900,804)		
Interest expense.....	282,086				(282,086)	(282,086)		
TOTAL GOVERNMENTAL ACTIVITIES.....	40,940,161	4,065,968	10,706,110	1,185,813	(24,982,270)	(24,982,270)	-	
BUSINESS-TYPE ACTIVITIES:								
Sewer Department.....	153,202	178,000			24,798	24,798		
Transfer Station.....	1,264,101	994,830	191,819		(77,452)	(77,452)		
TOTAL BUSINESS-TYPE ACTIVITIES.....	1,417,303	1,172,830	191,819	-	(52,654)	(52,654)	-	
TOTAL PRIMARY GOVERNMENT.....	\$ 42,357,464	\$ 5,238,798	\$ 10,897,929	\$ 1,185,813	\$ (24,982,270)	\$ (25,034,924)	\$ -	
COMPONENT UNIT:								
Mansfield Discovery Depot, Inc.....	\$ 953,918	\$ 699,184	\$ 261,332	\$ -	\$ -	\$ -	\$ 6,598	
GENERAL REVENUES:								
Property taxes.....					\$ 18,524,910	\$ 18,524,910	\$	
Grants and contributions not restricted to specific programs.....					7,756,083	7,756,083		
Investment income.....					312,972	312,972		
Miscellaneous.....					86,760	86,760		
TOTAL GENERAL REVENUES.....					26,680,725	26,682,882	-	
CHANGE IN NET ASSETS.....					1,698,455	(50,497)	6,598	
NET ASSETS - JULY 1, 2004 (AS RESTATED).....					65,271,434	1,222,925	218,420	
NET ASSETS - JUNE 30, 2005.....					\$ 66,969,889	\$ 1,172,428	\$ 68,142,317	
							\$ 225,018	

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

TOWN OF MANSEFIELD, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	GENERAL	MANSFIELD DISCRETIONARY FUND	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash.....	\$ 93,782	\$	\$	\$ 600	\$ 94,382
Investments.....	3,839,968	225,773	1,968,983	1,780,359	7,815,083
Receivables:					
Property taxes.....	471,840				471,840
Sewer assessments.....				3,700	3,700
Intergovernmental.....	22,500		40,860	30,624	93,984
Loans.....		997,800			997,800
Other.....	55,000	3,974	176,000	33,837	268,811
Due from other funds.....	354,000				354,000
Other.....				6,276	6,276
TOTAL ASSETS.....	\$ 4,837,090	\$ 1,227,547	\$ 2,185,843	\$ 1,855,396	\$ 10,105,876
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Cash overdraft.....	\$ 652,996	\$	\$	\$	\$ 652,996
Accounts and other payables.....	475,844	223	138,604	58,651	673,322
Accrued liabilities.....	785,404				785,404
Due to other funds.....	591,588			333,154	924,742
Unearned revenue.....	674,555	997,800	176,000	253,293	2,101,648
TOTAL LIABILITIES.....	3,180,387	998,023	314,604	645,098	5,138,112
FUND BALANCES:					
Reserved for:					
Encumbrances.....	88,601		2,864,726		2,953,327
Commitments.....			153,701		153,701
Debt service.....				136,939	136,939
Perpetual care.....				366,679	366,679
Endowments.....				1,652	1,652
Unreserved, reported in:					
General fund.....	1,568,102				1,568,102
Special revenue funds.....		229,524		761,267	990,791
Capital projects funds.....			(1,147,188)		(1,147,188)
Debt service funds.....				(56,518)	(56,518)
Endowments.....				279	279
TOTAL FUND BALANCES.....	1,656,703	229,524	1,871,239	1,210,298	4,967,764
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 4,837,090	\$ 1,227,547	\$ 2,185,843	\$ 1,855,396	\$ 10,105,876

(Continued)

TOWN OF MANSFIELD, CONNECTICUT
RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2005

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).....	\$	4,967,764
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Beginning net capital assets and current additions.....		69,433,635
Depreciation expense.....		(1,909,949)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:		
Property tax and sewer assessment interest and lien accrual.....		136,490
Property tax, sewer assessment and community development block grant loan receivable - accrual basis change.....		1,606,462
School building grant receivable.....		911,853
Allowance for doubtful accounts.....		(86,950)
Bond issue costs.....		55,660
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.....		1,692,634
Less net capital assets reported above.....		(973,385)
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.....		(11,656,009)
Long-term liability payments.....		2,816,260
Accrued interest payable.....		(24,576)
NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	<u>\$</u>	<u>66,969,889</u>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	GENERAL	MANSFIELD DISCRETIONARY FUND	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Property taxes.....	\$ 18,571,837	\$	\$	\$	\$ 18,571,837
Intergovernmental.....	15,580,254		753,813	2,803,123	19,137,190
Investment income.....	173,845	4,310		119,602	297,757
Charges for services.....	1,039,695	131,417		2,809,914	3,981,026
Net increase in fair value of investments.....				4,622	4,622
Contributions.....			56,000	119,203	175,203
Other local revenues.....	4,886		2,145	68,145	75,176
TOTAL REVENUES.....	35,370,517	135,727	811,958	5,924,609	42,242,811
EXPENDITURES:					
Current:					
General government.....	1,374,972			146,778	1,521,750
Public safety.....	2,343,927			13,283	2,357,210
Public works.....	2,251,760			100,124	2,351,884
Community services.....	1,423,345			2,333,536	3,756,881
Community development.....	229,521	13,479			243,000
Townwide expenditures.....	1,772,149				1,772,149
Education.....	25,077,649			1,401,171	26,478,820
Capital outlay.....			2,003,430		2,003,430
Debt service.....				1,241,507	1,241,507
TOTAL EXPENDITURES.....	34,473,323	13,479	2,003,430	5,236,399	41,726,631
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	897,194	122,248	(1,191,472)	688,210	516,180
OTHER FINANCING SOURCES (USES):					
Transfers in.....	252,500		1,005,419	871,500	2,129,419
Transfers out.....	(606,500)			(1,894,397)	(2,500,897)
NET OTHER FINANCING SOURCES (USES)....	(354,000)	-	1,005,419	(1,022,897)	(371,478)
NET CHANGE IN FUND BALANCES.....	543,194	122,248	(186,053)	(334,687)	144,702
FUND BALANCES - JULY 1, 2004.....	1,113,509	107,276	2,057,292	1,544,985	4,823,062
FUND BALANCES - JUNE 30, 2005.....	\$ 1,656,703	\$ 229,524	\$ 1,871,239	\$ 1,210,298	\$ 4,967,764

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, 2005

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)..... \$ 144,702

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.....	1,873,794
Depreciation expense.....	(1,909,949)
Net increase in capital assets of internal service funds.....	(320,385)
Total	(356,540)

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 Fund Financial Statements are not recognized in the Statement of Activities:

School building grant receipts.....	(366,387)
Increase in property tax and sewer assessment receivable - accrual basis change.....	163,682
Increase in property tax and sewer assessment interest and lien revenue.....	(20,258)
Increase in property tax and sewer assessment allowance for doubtful accounts.....	(3,165)
Total	(226,128)

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.....	980,000

(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, 2005

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 (net).....	\$ 560,792
Accrued interest payable.....	3,026
Early retirement incentives (net).....	210,437
Amortization of bond premium.....	1,228
Amortization of bond issuance costs.....	(6,185)
Amortization of deferred charges.....	(18,648)
Postemployment benefits obligation.....	<u>(109,714)</u>
Total	<u>640,936</u>
Internal Service Funds are used by management to charge costs of insurances and management services to individual departments.....	<u>504,892</u>
The net revenue of the activities of the Internal Service Funds is reported with governmental activities.....	<u>10,593</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B).....	<u>\$ 1,698,455</u>

(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, 2005

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 18,449,785	\$ 18,449,785	\$ 18,571,837	\$ 122,052
Intergovernmental.....	14,714,030	15,054,688	15,211,261	156,573
Investment income.....	200,000	200,000	173,845	(26,155)
Charges for services.....	640,835	640,835	1,039,695	398,860
Other local revenues.....	7,800	7,800	4,886	(2,914)
TOTAL REVENUES.....	34,012,450	34,353,108	35,001,524	648,416
EXPENDITURES:				
Current:				
General government.....	1,280,650	1,380,487	1,380,487	-
Public safety.....	2,409,310	2,349,450	2,349,450	-
Public works.....	2,218,340	2,253,440	2,253,440	-
Community services.....	1,429,340	1,429,950	1,429,950	-
Community development.....	283,870	279,521	279,521	-
Townwide expenditures.....	1,572,830	1,812,150	1,812,150	-
Education.....	24,594,110	24,594,110	24,590,504	3,606
TOTAL EXPENDITURES.....	33,788,450	34,099,108	34,095,502	3,606
EXCESS OF REVENUES OVER EXPENDITURES.....	224,000	254,000	906,022	652,022
OTHER FINANCING SOURCES (USES):				
Transfers in.....	352,500	352,500	252,500	(100,000)
Transfers out.....	(576,500)	(606,500)	(606,500)	-
NET OTHER FINANCING SOURCES (USES)...	(224,000)	(254,000)	(354,000)	(100,000)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	552,022	\$ 552,022
FUND BALANCE - JULY 1, 2004.....			1,016,080	
FUND BALANCE - JUNE 30, 2005.....			<u>\$ 1,568,102</u>	

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
ASSETS				
Current assets:				
Investments.....	\$ 365,140	\$ 94,545	\$ 459,685	\$ 739,328
Accounts receivable.....	45,711	20,768	66,479	135,812
Due from other funds.....			-	329,201
Other.....			-	17,865
Total current assets.....	410,851	115,313	526,164	1,222,206
Noncurrent assets:				
Accounts receivable - net.....	1,685		1,685	
Capital assets (net of accumulated depreciation):				
Land.....	66,298	8,500	74,798	145,649
Construction in progress.....			-	48,663
Land improvements.....			-	259,740
Buildings.....		47,162	47,162	106,005
Equipment.....		148,780	148,780	413,328
Pump station.....	126,976		126,976	
Sewer distribution system.....	473,606		473,606	
Total capital assets (net of accumulated depreciation).....	666,880	204,442	871,322	973,385
Total noncurrent assets.....	668,565	204,442	873,007	973,385
TOTAL ASSETS.....	1,079,416	319,755	1,399,171	2,195,591
LIABILITIES				
Current liabilities:				
Accounts payable.....	17,513	61,238	78,751	22,391
Accrued claims payable.....			-	480,000
Due to other funds.....			-	566
Landfill post closure liability.....		4,000	4,000	
Compensated absences.....		5,598	5,598	
Total current liabilities.....	17,513	70,836	88,349	502,957
Noncurrent liabilities:				
Landfill post closure liability.....		116,000	116,000	
Compensated absences.....		22,394	22,394	
Total noncurrent liabilities.....	-	138,394	138,394	-
TOTAL LIABILITIES.....	17,513	209,230	226,743	502,957
NET ASSETS				
Invested in capital assets.....	666,880	204,442	871,322	973,385
Unrestricted.....	395,023	(93,917)	301,106	719,249
TOTAL NET ASSETS.....	\$ 1,061,903	\$ 110,525	\$ 1,172,428	\$ 1,692,634

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
OPERATING REVENUES:				
Sewer charges.....	\$ 178,000	\$	\$ 178,000	\$
Intergovernmental.....		191,819	191,819	
Garbage collection fees.....		747,449	747,449	
Tipping fees.....		91,302	91,302	
Transfer station fees.....		82,456	82,456	
Sale of recyclables.....		73,623	73,623	
Premiums.....			-	5,284,877
Charges for services.....			-	579,646
Sales.....			-	35,734
Rental income.....			-	165,371
Contributions.....				270,000
Other revenues.....	968	1,189	2,157	11,584
TOTAL OPERATING REVENUES.....	178,968	1,187,838	1,366,806	6,347,212
OPERATING EXPENSES:				
Wages and fringe benefits.....		245,741	245,741	204,435
Administrative.....			-	553,508
Medical claims.....			-	4,398,084
Workers' compensation.....			-	320,047
Repairs & maintenance.....			-	156,243
Supplies, materials & rentals.....			-	102,536
Software & related communication costs.....			-	123,087
Phone.....			-	125,630
System support.....			-	68,807
Contract pickup.....		313,287	313,287	
Sewer billings.....	107,912		107,912	
Supplies and services.....	20,949	32,497	53,446	
Landfill closing fees.....		176,396	176,396	
Dumping fees.....		465,892	465,892	
Depreciation.....	24,341	30,288	54,629	161,421
TOTAL OPERATING EXPENSES.....	153,202	1,264,101	1,417,303	6,213,798
OPERATING INCOME (LOSS).....	25,766	(76,263)	(50,497)	133,414
NONOPERATING REVENUES:				
Investment income.....			-	10,593
INCOME (LOSS) BEFORE TRANSFERS.....	25,766	(76,263)	(50,497)	144,007
TRANSFERS:				
Transfers in.....			-	400,000
Transfers out.....			-	(28,522)
NET TRANSFERS.....			-	371,478
CHANGE IN NET ASSETS.....	25,766	(76,263)	(50,497)	515,485
TOTAL NET ASSETS - JULY 1, 2004 (AS RESTATED).....	1,036,137	186,788	1,222,925	1,177,149
TOTAL NET ASSETS - JUNE 30, 2005.....	\$ 1,061,903	\$ 110,525	\$ 1,172,428	\$ 1,692,634

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, 2005

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$ 174,136	\$ 1,211,951	\$ 1,386,087	\$ 797,925
Premiums received.....			-	5,282,392
Payments to vendors.....	(233,123)	(941,647)	(1,174,770)	(1,639,018)
Payments for claims.....			-	(4,398,084)
Payments to employees.....		(247,736)	(247,736)	(204,435)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(58,987)	22,568	(36,419)	(161,220)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds.....			-	371,478
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....			-	(211,806)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....			-	10,593
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS....	(58,987)	22,568	(36,419)	9,045
CASH AND CASH EQUIVALENTS - JULY 1, 2004.....	424,127	71,977	496,104	730,283
CASH AND CASH EQUIVALENTS - JUNE 30, 2005.....	\$ 365,140	\$ 94,545	\$ 459,685	\$ 739,328
RECONCILIATION TO BALANCE SHEET CASH:				
Cash and cash equivalents per above.....	\$ 365,140	\$ 94,545	\$ 459,685	\$ 739,328
Cash equivalents reported as investments.....	(365,140)	(94,545)	(459,685)	(739,328)
BALANCE SHEET CASH.....	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ 25,766	\$ (76,263)	\$ (50,497)	\$ 133,414
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.....	24,341	30,288	54,629	161,421
Contribution to cell tower.....				(270,000)
(Increase) decrease in:				
Accounts receivable.....	(4,832)	24,113	19,281	3,105
Due from other funds.....			-	(128,552)
Other.....			-	(181)
Increase (decrease) in:				
Accounts payable.....	(104,262)	46,425	(57,837)	3,665
Due to other funds.....			-	(64,092)
Compensated absences.....		(1,995)	(1,995)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (58,987)	\$ 22,568	\$ (36,419)	\$ (161,220)

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

TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005

	POSTEMPLOYMENT HEALTHCARE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>		
CASH.....	\$	\$ 47,816
INVESTMENTS, AT FAIR VALUE:		
Money market mutual fund.....		
Pooled fixed income.....		599,234
Bond mutual funds.....	135,194	
Equity mutual funds.....	135,022	
TOTAL INVESTMENTS.....	270,216	599,234
ACCOUNTS RECEIVABLE.....		8,501
DUE FROM OTHER FUNDS.....		354,009
TOTAL ASSETS.....	270,216	1,009,560
<u>LIABILITIES</u>		
LIABILITIES:		
Accounts payable.....		1,009,195
Due to other funds.....	111,537	365
TOTAL LIABILITIES.....	111,537	1,009,560
<u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR POSTEMPLOYMENT HEALTHCARE PURPOSES.....	\$ 158,679	\$ -

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

EXHIBIT K

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2005

	POST- EMPLOYMENT HEALTHCARE TRUST FUND
<hr/>	
ADDITIONS:	
Contributions:	
Employer.....	\$ 40,000
Investment income:	
Net depreciation in fair value of investments.....	(942)
Interest and dividends.....	5,413
Net investment income.....	4,471
TOTAL ADDITIONS.....	44,471
DEDUCTIONS:	
Benefits.....	19,740
CHANGE IN NET ASSETS.....	24,731
NET ASSETS - JULY 1, 2004.....	133,948
NET ASSETS - JUNE 30, 2005.....	\$ 158,679

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

TOWN OF MANSFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

HISTORY 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 due to the Town Council's 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.

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. Agency funds do not have a measurement focus but are accounted for using the accrual basis of accounting. 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, 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 *Mansfield Discretionary Fund* accounts for the activity of the prior community development block grants.

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

The Town 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.

The *Agency Funds* account for monies held on behalf of students and employees and amounts held for performance related activities.

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

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. For the capital and nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

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)

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 pooled fixed income investments were invested in a 2a-7 like pool. The fair value of the position in the pool is the same as the value of the pool shares.

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 14 percent of outstanding receivable balances at June 30, 2005, 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, equipment and infrastructure 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)

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 presents 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.

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.

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 \$340,658 of additional appropriations to the General Fund budget, funded by additional revenue sources.

- 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, 2005	\$ 35,001,524	\$ 34,095,502	\$ 1,568,102
Encumbrances outstanding at June 30, 2004, liquidated during the year ended June 30, 2005		97,429	
Encumbrances outstanding at June 30, 2004, charged to budgetary expenditures during the year ended June 30, 2005		(88,601)	88,601
Teachers' Retirement System on-behalf payment	<u>368,993</u>	<u>368,993</u>	
Balance - GAAP Basis Exhibit D - June 30, 2005	<u>\$ 35,370,517</u>	<u>\$ 34,473,323</u>	<u>\$ 1,656,703</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 of \$24,830) is approved for expenditure by the individual Boards responsible for each fund.

D. Deficit Fund Balances

The following individual funds had a deficit fund balance at June 30, 2005:

<u>Special Revenue</u>	
Community development fund	<u>\$ 14,226</u>
 <u>Debt Service Fund</u>	
Compensated absences fund	<u>\$ 56,518</u>

The deficits should be reduced in future years as additional operating transfers are received from the general fund.

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

III. DETAILED NOTES

A. Cash and Investments

1. Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2005, \$662,939 of the Town's bank balance of \$818,373 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 586,645
Uninsured and collateral held by the pledging bank's Trust department, not in the Town's name.....	<u>76,294</u>
Total amount subject to custodial credit risk.....	<u>\$ 662,939</u>

2. Investments - At June 30, 2005, the Town's investments (including the component unit) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	N/A	INVESTMENT MATURITIES (in years)		
			LESS THAN 1	1-5	5-10
Mutual funds:					
Equity mutual funds.....	\$ 170,187	\$ 170,187	\$	\$	\$
Government bonds.....	433,591			369,615	63,976
Corporate bond mutual funds.....	59,955		13,949		46,006
Money market mutual funds.....	140,724		140,724		
Pooled fixed income.....	9,285,678		9,285,678		
U.S. treasury notes	<u>31,018</u>		<u>10,138</u>	<u>20,880</u>	
TOTAL.....	<u>\$ 10,121,153</u>	<u>\$ 170,187</u>	<u>\$ 9,450,489</u>	<u>\$ 390,495</u>	<u>\$ 109,982</u>

Component Unit

At June 30, 2005, \$237,607 was invested in pooled fixed income, which has a maturity of less than one year.

Primary Government and Component Unit

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

The Town's investments in pooled fixed income, money market mutual funds and bond mutual funds had average ratings as follows by Standard & Poor's:

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

2. Investments (Continued)

<u>Primary Government</u>	POOLED FIXED INCOME	MONEY MARKET MUTUAL FUNDS	CORPORATE BOND MUTUAL FUNDS	GOVERNMENT BOND MUTUAL FUNDS
<u>AVERAGE RATING</u>				
AAA.....	\$ 9,285,678	\$ 126,443	\$	\$ 298,569
BBB.....			46,006	
Unrated/U.S. government.....		14,281	13,949	135,022
TOTAL.....	<u>\$ 9,285,678</u>	<u>\$ 140,724</u>	<u>\$ 59,955</u>	<u>\$ 433,591</u>

Component Unit

The investment in pooled fixed income has a credit rating of AAA.

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's investment in government bonds and corporate bonds are held by the counterparty's trust department or agent but not in the Town's name and is not insured for amounts greater than \$500,000.

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 & LIEN FEES</u>	<u>TOTAL</u>
Current Portion	<u>\$ 207,406</u>	<u>\$ 73,354</u>	<u>\$ 280,760</u>
Long-term Portion	<u>\$ 264,434</u>	<u>\$ 63,136</u>	<u>\$ 327,570</u>
Less Allowance for Uncollectibles	<u>(48,390)</u>	<u>(18,530)</u>	<u>(66,920)</u>
Net Long-term Portion	<u>\$ 216,044</u>	<u>\$ 44,606</u>	<u>\$ 260,650</u>

	<u>SEWER ASSESSMENT</u>	<u>CDBG LOANS</u>
Current Portion	<u>\$ -</u>	<u>\$ 49,890</u>
Long-term Portion	<u>\$ 3,700</u>	<u>\$ 947,910</u>
Less Allowance for Uncollectibles	<u>(74)</u>	<u>(19,956)</u>
Net Long-term Portion	<u>\$ 3,626</u>	<u>\$ 927,954</u>

Governmental funds report *unearned 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 *unearned revenue* reported in the governmental funds were as follows:

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

III. DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

DEFERRED REVENUE:

Delinquent property taxes receivable (general fund).....	\$ 397,962
Special assessments not yet due (special revenue fund).....	3,700
Loan receivable not yet earned (special revenue fund).....	997,800
Contributions receivable not yet earned (capital projects fund).....	176,000
Contributions receivable not yet earned (special revenue fund).....	31,000

UNEARNED REVENUE:

Advance tax collections (general fund).....	276,593
Unearned revenue on park and recreation fees (special revenue fund).....	121,886
Grant draw downs prior to meeting all eligibility requirements (special revenue fund)	<u>96,707</u>

TOTAL UNEARNED REVENUE FOR GOVERNMENTAL FUNDS..... \$ 2,101,648

C. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

Primary Government

	BALANCE JULY 1, 2004	INCREASES	DECREASES	BALANCE JUNE 30, 2005
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 4,151,772	\$	\$	\$ 4,152,772
Construction in progress.....	1,366,951	837,454	469	2,203,936
Total Capital Assets, not being Depreciated	<u>5,518,723</u>	<u>837,434</u>	<u>469</u>	<u>6,355,708</u>
<u>Capital Assets, being Depreciated:</u>				
Land improvements	776,646	270,000		1,046,646
Buildings.....	32,905,866			32,905,866
Improvements other than buildings.....	382,839			382,839
Machinery and equipment	3,070,607	297,084		3,367,691
Vehicles	2,312,972	244,725		2,557,697
Infrastructure.....	46,738,229	225,000		46,963,229
Total Capital Assets, being Depreciated	<u>86,187,159</u>	<u>1,036,809</u>	<u>-</u>	<u>87,223,968</u>
Total Capital Assets.....	<u>91,705,882</u>	<u>1,874,263</u>	<u>469</u>	<u>93,579,676</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	38,832	36,149		74,981
Buildings.....	8,644,622	856,309		9,500,931
Improvements other than buildings.....	136,137	16,195		152,332
Machinery and equipment	1,866,154	248,215		2,114,369
Vehicles	1,047,870	165,953		1,213,823
Infrastructure.....	12,412,426	587,128		12,999,554
Total Accumulated Depreciation	<u>24,146,041</u>	<u>1,909,949</u>	<u>-</u>	<u>267,055,990</u>
Total Capital Assets, being Depreciated, net	<u>62,041,118</u>	<u>(873,140)</u>	<u>-</u>	<u>61,167,978</u>
Governmental Activities Capital Assets, net	<u>\$ 67,559,841</u>	<u>\$(35,686)</u>	<u>\$ 469</u>	<u>\$ 67,523,686</u>

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	BALANCE JULY 1, 2004	INCREASES	DECREASES	BALANCE JUNE 30, 2005
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 74,798	\$	\$	\$ 74,798
<u>Capital Assets, being Depreciated:</u>				
Buildings.....	139,625			139,625
Equipment.....	401,232			401,232
Pump station	161,702			161,702
Sewer distribution system.....	1,152,126			1,152,126
Total Capital Assets, being Depreciated	1,854,685	-	-	1,854,685
Total Capital Assets.....	1,929,483	-	-	1,929,483
<u>Less Accumulated Depreciation for:</u>				
Buildings.....	83,920	8,543		92,463
Equipment.....	230,707	21,745		252,452
Pump station	31,330	3,396		34,726
Sewer distribution system.....	657,575	20,945		678,520
Total Accumulated Depreciation	1,003,532	54,629	-	1,058,161
Total Capital Assets, being Depreciated, net	851,153	(54,629)	-	796,524
Business-Type Activities Capital Assets, net.....	\$ 925,951	\$(54,629)	\$ -	\$ 871,322

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

<u>Governmental Activities:</u>	
General government	\$ 74,842
Public safety	12,969
Public works	801,834
Community services	301,328
Education.....	557,554
Capital assets held by Town's internal service funds are charged to the various functions based on their usage of the assets	161,421
Total Depreciation Expense - Governmental Activities.....	\$ 1,909,949
<u>Business-type Activities:</u>	
Sewer	\$ 24,341
Solid waste.....	30,288
Total Depreciation Expense - Business-Type Activities.....	\$ 54,629

Construction Commitments

The Town has active construction projects as of June 30, 2005. 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.....	\$ 153,701

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, 2005 is as follows:

<u>MAJOR FUND:</u>	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
GENERAL FUND:			
Performance bonds.....	N/A	\$	\$ 354,009
Postemployment healthcare trust	N/A	111,537	
Community development fund.....	N/A	14,226	
Health insurance.....	N/A	566	237,579
Compensated absences fund	N/A	227,671	
TOTAL GENERAL FUND		<u>354,000</u>	<u>591,588</u>
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Recreation program fund	Health Insurance		85,030
School cafeteria services fund.....	Health Insurance		6,227
Community development fund.....	General Fund		14,226
TOTAL SPECIAL REVENUE FUNDS		<u>-</u>	<u>105,483</u>
DEBT SERVICE FUND:			
Compensated absences fund	General Fund		227,671
TOTAL NONMAJOR FUNDS		<u>-</u>	<u>333,154</u>
TOTAL GOVERNMENTAL FUNDS.....		<u>354,000</u>	<u>924,742</u>
INTERNAL SERVICE FUNDS:			
Health insurance:			
General fund.....	N/A	237,579	566
Recreation program fund.....	N/A	85,030	
School cafeteria services fund.....	N/A	6,227	
Mansfield downtown partnership.....	N/A	365	
TOTAL INTERNAL SERVICE FUNDS		<u>329,201</u>	<u>566</u>
FIDUCIARY FUNDS:			
Mansfield downtown partnership.....	Health Insurance		365
Performance bonds.....	General Fund	354,009	
Postemployment healthcare trust	General Fund		111,537
TOTAL FIDUCIARY FUNDS		<u>354,009</u>	<u>111,902</u>
GRAND TOTAL		<u>\$ 1,037,210</u>	<u>\$ 1,037,210</u>

All interfund balances resulted from the time lag between the date payments occurred between funds for short-term internal financing.

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
<u>MAJOR FUNDS:</u>			
GENERAL FUND:			
Capital projects fund	N/A	\$	\$ 110,000
Capital nonrecurring fund	N/A	250,000	
Recreation program fund	N/A		35,000
Other operating funds.....	N/A		61,500
School cafeteria fund.....	N/A	2,500	
Bond fund.....	N/A		400,000
TOTAL GENERAL FUND.....		252,500	606,500
CAPITAL PROJECTS FUND:			
General fund.....	N/A	110,000	
Capital nonrecurring fund	N/A	832,137	
Recreation fund		19,760	
Management services fund	N/A	28,522	
Town aid road fund	N/A	15,000	
TOTAL CAPITAL PROJECTS FUND		1,005,419	-
<u>NONMAJOR FUNDS:</u>			
SPECIAL REVENUE FUNDS:			
Capital nonrecurring fund:			
General fund.....	N/A		250,000
Capital projects.....	N/A		832,137
Recreation program fund.....	N/A		80,000
Debt funds.....	N/A		295,000
Health insurance fund.....	N/A		200,000
Management services	N/A		200,000
Recreation program fund:			
General fund.....	N/A	35,000	
Capital projects.....	N/A		19,760
Capital nonrecurring fund	N/A	80,000	
Other operating fund:			
General fund.....	N/A	61,500	
School cafeteria fund:			
General fund.....			2,500
Town aid road fund			15,000
TOTAL SPECIAL REVENUE FUNDS		176,500	1,894,397
DEBT SERVICE FUND:			
Bond fund:			
General fund.....	N/A	400,000	
Capital nonrecurring fund	N/A	295,000	
TOTAL DEBT SERVICE FUND		695,000	-
TOTAL NONMAJOR FUNDS.....		871,500	1,894,397

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers (Continued)

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
INTERNAL SERVICE FUNDS:			
Management services:			
Capital projects fund	N/A	\$	\$ 28,522
Capital nonrecurring fund	N/A	200,000	
Health insurance fund	General Fund	200,000	
TOTAL INTERNAL SERVICE FUNDS		400,000	28,522
GRAND TOTAL		\$ 2,529,419	\$ 2,529,419

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 JULY 1, 2004	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005	CURRENT PORTION
BONDS:									
General Purpose:									
Improvement bond	\$ 225,000	10/15/89	06/15/07	6.75%-6.8%	\$ 35,000	\$	\$ 15,000	\$ 20,000	\$ 15,000
Improvement bond	1,765,000	06/15/92	06/15/05	5.0%-7.0%	115,000		115,000		
Refunding bond	725,000	02/15/04	06/01/14	2.00-4.00	715,000		80,000	635,000	80,000
Taxable bond	2,590,000	02/15/04	06/01/13	1.32-5.00	2,345,000		225,000	2,120,000	220,000
Total General Purpose					3,210,000	-	435,000	2,775,000	315,000
Schools:									
Improvement bond	4,775,000	10/15/89	06/15/09	6.75%-6.8%	1,065,000		285,000	780,000	285,000
Improvement bond	2,525,000	06/15/90	06/15/09	6.5%-8.0%	575,000		150,000	425,000	125,000
Refunding bond .	940,000	02/15/04	06/01/14	2.00-4.00	930,000		110,000	820,000	105,000
Total Schools					2,570,000	-	545,000	2,025,000	515,000
TOTAL BONDS.....					5,780,000	-	980,000	4,800,000	830,000
BOND PREMIUM					12,276		1,228	11,048	
DEFERRED CHARGE ON REFUNDING					(186,476)		(18,648)	(167,828)	
TOTAL BONDS AND RELATED LIABILITIES.....					5,605,800	-	962,580	4,643,220	830,000
ACCRUED COMPENSATED ABSENCES					1,619,750	865,321	1,426,113	1,058,958	211,792
RETIREMENT BENEFIT.....					3,074,482	217,130	427,567	2,864,045	370,679
OTHER POSTEMPLOYMENT OBLIGATION					163,812	109,714		273,526	
TOTAL GENERAL LONG-TERM OBLIGATIONS					\$ 10,463,844	\$ 1,192,165	\$ 2,816,260	\$ 8,839,749	\$ 1,412,471

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, 2005, 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
2006	\$ 515,000	\$ 279,374	\$ 235,626	\$ 106,728	\$ 51,004	\$ 55,724	\$ 291,350
2007	500,000	262,724	237,276	75,573	32,738	42,835	280,111
2008	355,000	164,663	190,337	45,312	16,131	29,181	219,518
2009	235,000	99,289	135,711	24,913	5,930	18,983	154,694
2010	90,000		90,000	13,388		13,388	103,388
2011	85,000		85,000	10,912		10,912	95,912
2012	85,000		85,000	8,362		8,362	93,362
2013	80,000		80,000	5,600		5,600	85,600
2014	80,000		80,000	2,880		2,880	82,880
	<u>\$ 2,025,000</u>	<u>\$ 806,050</u>	<u>\$ 1,218,950</u>	<u>\$ 293,668</u>	<u>\$ 105,803</u>	<u>\$ 187,865</u>	<u>\$ 1,406,815</u>

GENERAL PURPOSE				
YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL	TOTAL NET DEBT SERVICE TO MATURITY
2006	\$ 315,000	\$ 109,961	\$ 424,961	\$ 716,311
2007	305,000	100,909	405,909	686,020
2008	305,000	90,770	395,770	615,288
2009	295,000	79,290	374,290	528,984
2010	365,000	68,540	433,540	536,928
2011	370,000	53,853	423,853	519,765
2012	375,000	37,292	412,292	505,654
2013	380,000	20,300	400,300	485,900
2014	65,000	2,340	67,340	150,220
	<u>\$ 2,775,000</u>	<u>\$ 563,255</u>	<u>\$ 3,338,255</u>	<u>\$ 4,745,070</u>

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

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, 2005, 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	\$ -	\$22,965,000	\$16,099,136	\$ 6,865,864	51.15	\$ 3,517,451

Prior Year Advance Refunding

In prior year, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. As of June 30, 2005, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$3,475,000.

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	\$ 41,361,755	\$ 2,775,000	\$ 38,586,755
Schools	82,723,509	4,736,401	77,987,108
Sewers	68,936,258		68,936,258
Urban renewal	59,744,757		59,744,757
Pension deficit	55,149,006		55,149,006

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$128,681,014.

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 \$806,050 for bond principal are reflected as deductions in the computation of net indebtedness.

3. Authorized/Unissued Bonds

At June 30, 2005, the Town had no bonds authorized and unissued.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

4. Landfill Closure and Post-Closure Care Costs (Solid Waste Nonmajor Enterprise Fund)

State and Federal laws and regulations require landfill closures to meet certain standards. The Town is in the process of finalizing an agreement with the State Department of Environmental Protection for final capping of the landfill. The landfill was covered in November 2004. The monitoring costs for the next 30 years at \$4,000 per year are \$120,000. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations. The liability as described above is recorded in the nonmajor enterprise solid waste disposal fund.

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 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:

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

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN <u>ESTIMATES</u>	CLAIM <u>PAYMENTS</u>	CLAIMS PAYABLE <u>JUNE 30</u>
2003-04.....	\$480,000	\$4,203,358	\$4,203,358	\$480,000
2004-05.....	480,000	4,398,084	4,398,084	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.

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 2004-05 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.

TOWN OF MANSFIELD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**IV. OTHER INFORMATION (CONTINUED)****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.

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, 2003, 2004 and 2005 were \$119,466, \$284,070 and \$350,952, 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 34 active employees at June 30, 2005.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

2. Postemployment Healthcare Trust Fund (Continued)

a. Plan Description (Continued)

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 14 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 due and payable in accordance with terms of the plan.

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. The Town's contribution was \$40,000 for the year ended June 30, 2005.

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 \$368,993.

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

IV. OTHER INFORMATION (CONTINUED)

E. Restatements

Government-Wide Financial Statements:

The beginning net assets for the business-type activities were restated as follows:

	<u>BUSINESS-TYPE ACTIVITIES</u>
Net assets, June 30, 2004, as previously reported	\$ 1,342,925
To record landfill post-closure monitoring cost liability.....	<u>(120,000)</u>
Net assets, July 1, 2004, as restated	<u>\$ 1,222,925</u>

Fund Financial Statements:

Beginning net assets of the nonmajor business-type activities were restated as follows:

	<u>SOLID WASTE DISPOSAL FUND</u>
Net Assets as of June 30, 2004	\$ 306,788
To record landfill post-closure monitoring cost liability.....	<u>(120,000)</u>
Net Assets as of July 1, 2004	<u>\$ 186,788</u>

Supplemental Schedules

General Fund

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 MANSEFIELD, CONNECTICUT

GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2005 AND 2004

	2005	2004	2005	2004
ASSETS				
Cash.....	\$ 93,782	\$ 78,380	\$ 652,996	\$ 213,334
Investments.....	3,839,968	3,338,591		
Property taxes receivable.....	471,840	451,511		
Accounts receivable:				
Intergovernmental.....	22,500		163,375	201,386
Other.....	55,000		298,971	289,544
		16,221	13,498	371,384
Due to State of Connecticut.....				37,274
Total accounts receivable.....	77,500	16,221	475,844	899,588
Due from other funds.....	354,000	805,945	785,404	377,726
TOTAL ASSETS.....	\$ 4,837,090	\$ 4,690,648	591,588	195,460
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Cash overdraft.....				
Accounts and other payables:				
Accounts payable.....				
Payroll deductions.....				
Escrow deposits.....				
Due to State of Connecticut.....				
Total accounts and other payables.....			475,844	899,588
Accrued liabilities.....			785,404	377,726
Due to other funds.....			591,588	195,460
Unearned revenue:				
Advance tax collections.....			276,593	1,469,969
Property taxes.....			397,962	421,062
Total unearned revenue.....			674,555	1,891,031
TOTAL LIABILITIES.....			3,180,387	3,577,139
FUND BALANCE:				
Reserved for encumbrances.....			88,601	97,429
Unreserved and undesignated.....			1,568,102	1,016,080
TOTAL FUND BALANCE.....			1,656,703	1,113,509
TOTAL LIABILITIES AND FUND BALANCE.....			\$ 4,837,090	\$ 4,690,648

SCHEDULE 2

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND

SCHEDULE OF CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
FUND BALANCE - JULY 1, 2004.....	\$ 34,364,950	\$ 34,705,608	\$ 35,254,024	\$ 548,416
REVENUES AND TRANSFERS IN:				
Total revenues and transfers in.....				
EXPENDITURES AND TRANSFERS OUT:				
Town.....	\$ 9,634,840	\$ 9,975,498	\$ 9,975,498	-
Mansfield board of education.....	17,002,030	17,002,030	16,998,424	3,606
Contribution to Region No. 19 board of education.....	7,728,080	7,728,080	7,728,080	-
TOTAL EXPENDITURES AND TRANSFERS OUT.....	\$ 34,364,950	\$ 34,705,608	\$ 34,702,002	\$ 3,606
NET CHANGE IN FUND BALANCE.....				552,022
FUND BALANCE - JUNE 30, 2005.....				\$ 1,568,102
FUND BALANCE:				
Unreserved and undesignated.....				\$ 1,568,102

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Current year levy.....	\$ 17,843,985	\$ 17,843,985	\$ 17,859,033	\$ 15,048
Prior year levy.....	140,000	140,000	198,171	58,171
Interest and lien fees.....	90,000	90,000	133,962	43,962
Motor vehicle supplement.....	245,000	245,000	231,245	(13,755)
Suspense collections taxes.....	6,500	6,500	6,923	423
Suspense collections interest.....	4,000	4,000	4,834	834
Motor vehicle penalty.....	300	300	5	(295)
Telecom services payment.....	120,000	120,000	137,664	17,664
TOTAL PROPERTY TAXES.....	18,449,785	18,449,785	18,571,837	122,052
INTERGOVERNMENTAL:				
STATE:				
BOARD OF EDUCATION:				
Education assistance.....	8,440,790	8,440,790	8,522,648	81,858
School transportation.....	260,000	260,000	239,570	(20,430)
TOTAL BOARD OF EDUCATION.....	8,700,790	8,700,790	8,762,218	61,428
GENERAL GOVERNMENT:				
PILOT - State property.....	5,945,550	6,286,208	6,343,657	57,449
Circuit breaker.....	32,000	32,000	34,164	2,164
Tax relief for elderly freeze.....	2,300	2,300	2,771	471
Library - connecticard.....	6,600	6,600	12,261	5,661
Library - basic grant.....	2,000	2,000	2,538	538
Tax credit - new manufacturing equipment.....	6,200	6,200	8,274	2,074
Boat reimbursement.....	2,500	2,500	2,503	3
Civil preparedness.....	6,520	6,520	16,436	9,916
Veterans' reimbursement.....	4,000	4,000	4,467	467
PILOT - Holinko Estates.....			18,581	18,581
TOTAL GENERAL GOVERNMENT.....	6,007,670	6,348,328	6,445,652	97,324
FEDERAL:				
In lieu of taxes.....	1,850	1,850	2,460	610
Social service block grant.....	3,720	3,720	931	(2,789)
TOTAL FEDERAL.....	5,570	5,570	3,391	(2,179)
TOTAL INTERGOVERNMENTAL.....	14,714,030	15,054,688	15,211,261	156,573
INVESTMENT INCOME.....	200,000	200,000	173,845	(26,155)

(Continued)

SCHEDULE 3
(2 of 3)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
CHARGES FOR SERVICES:				
Data processing - Coventry.....	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Data processing - Region No. 19.....	9,500	9,500	9,500	-
Region No. 19 financial services.....	66,730	66,730	66,730	-
Health district services.....	5,150	5,150	5,150	-
Recording.....	90,000	90,000	88,364	(1,636)
Copies of records.....	14,300	14,300	15,745	1,445
Vital statistics.....	4,000	4,000	4,854	854
Sale of maps/regulations.....	200	200	106	(94)
Police service.....	45,000	45,000	98,747	53,747
Canine fees.....	1,600	1,600	3,267	1,667
Animal adoption fees.....	1,025	1,025	1,609	584
Feline fees.....	600	600	188	(412)
Health district reimbursement.....	6,100	6,100	6,100	-
Postage on overdue books.....	15,000	15,000	15,417	417
Blueprints.....	50	50	73	23
Region No. 19 grounds maintenance.....	67,200	67,200	67,370	170
Celeron square bikepath maintenance.....	2,700	2,700		(2,700)
Zoning regulations.....	500	500	516	16
Daycare grounds maintenance.....	9,320	9,320	9,320	-
Licenses and permits.....	2,200	2,200	2,245	45
Sport licenses.....	700	700	550	(150)
Dog licenses.....	8,000	8,000	7,669	(331)
Conveyance tax.....	40,000	40,000	231,379	191,379
Trailer and subdivision permits.....	3,500	3,500	8,300	4,800
Zoning permits.....	14,500	14,500	22,390	7,890
ZBA applications.....	1,500	1,500	690	(810)
IWA permits.....	4,000	4,000	4,350	350
Sewer permits.....	50	50	50	-
Road permits.....	1,600	1,600	2,535	935
Building permits.....	200,000	200,000	324,222	124,222
Administrative cost - reimb. permits.....	50	50	144	94
Parking tickets - Town.....	4,000	4,000	6,265	2,265
Parking tickets - complus.....	2,000	2,000	5,680	3,680
Building fines.....	250	250		(250)
Rent - Region No. 19 maintenance.....	2,660	2,660	2,660	-
Rent - Historical Society.....	1,200	1,200	1,950	750
Rent - Animal control.....			4,660	4,660
Rent - Town hall.....	300	300	425	125
Rent - senior center.....	250	250	60	(190)
General assistance - individuals.....	100	100		(100)
Equipment maintenance.....			4,720	4,720
Circuit court - parking fees.....			695	695
TOTAL CHARGES FOR SERVICES.....	640,835	640,835	1,039,695	398,860

(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
OTHER LOCAL REVENUES:				
Other.....	\$ 7,800	\$ 7,800	\$ 4,886	\$ (2,914)
TOTAL REVENUES.....	34,012,450	34,353,108	35,001,524	648,416
OTHER FINANCING SOURCES:				
Transfers in:				
Capital nonrecurring fund.....	350,000	350,000	250,000	(100,000)
School cafeteria fund.....	2,500	2,500	2,500	-
TOTAL OTHER FINANCING SOURCES.....	352,500	352,500	252,500	(100,000)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 34,364,950	\$ 34,705,608	\$ 35,254,024	\$ 548,416

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:					
Town council:					
Legislative.....	\$ 56,990	\$ 1,354	\$ 58,344	\$ 58,344	\$ -
Town manager:					
Municipal management.....	179,510	14,817	194,327	194,327	-
Personnel management.....	60,970	19,522	80,492	80,492	-
Legal:					
Town attorney.....	12,000	26,876	38,876	38,876	-
Probate.....	2,370	673	3,043	3,043	-
Elections:					
Registrars.....	27,700	10,815	38,515	38,515	-
Town clerk.....	172,850	3,234	176,084	176,084	-
General elections.....	16,050	288	16,338	16,338	-
Finance:					
Administration.....	62,770	405	63,175	63,175	-
Accounting and disbursements.....	224,780	14,913	239,693	239,693	-
Revenue collection.....	131,300	7,573	138,873	138,873	-
Property assessment.....	162,880	8,211	171,091	171,091	-
Central copying.....	40,000	(910)	39,090	39,090	-
Central services.....	33,600	(5,166)	28,434	28,434	-
Data processing.....	96,880	(2,768)	94,112	94,112	-
TOTAL GENERAL GOVERNMENT.....	1,280,650	99,837	1,380,487	1,380,487	-
PUBLIC SAFETY:					
Police protection:					
Police services.....	693,460	61,988	755,448	755,448	-
Animal control.....	80,710	(252)	80,458	80,458	-
Fire protection:					
Fire marshal.....	95,300	9,122	104,422	104,422	-
Fire and emergency services admin.....	87,390	28,074	115,464	115,464	-
Fire and emergency services.....	1,425,610	(160,725)	1,264,885	1,264,885	-
Emergency management.....	26,840	1,933	28,773	28,773	-
TOTAL PUBLIC SAFETY.....	2,409,310	(59,860)	2,349,450	2,349,450	-
PUBLIC WORKS:					
Administration.....	154,280	1,224	155,504	155,504	-
Operating services:					
Supervision and operation.....	62,050	7,601	69,651	69,651	-
Road services.....	631,250	(35,801)	595,449	595,449	-
Grounds maintenance.....	271,400	(19,519)	251,881	251,881	-
Equipment maintenance.....	306,640	52,995	359,635	359,635	-
Engineering.....	190,010	187	190,197	190,197	-
Buildings:					
Building inspection.....	118,860	4,084	122,944	122,944	-
Building maintenance.....	483,850	24,329	508,179	508,179	-
TOTAL PUBLIC WORKS.....	2,218,340	35,100	2,253,440	2,253,440	-

(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
COMMUNITY SERVICES:					
Health regulation and inspection.....	\$ 1,000	\$ (1,000)	\$	\$	\$ -
Social service administration.....	224,170	(2,565)	221,605	221,605	-
Mansfield challenge - winter.....	2,430	184	2,614	2,614	-
Peer outreach	360	(360)			-
Youth employment - middle school.....	4,000	15	4,015	4,015	-
Youth services.....	122,670	(4,126)	118,544	118,544	-
Senior services.....	169,260	1,042	170,302	170,302	-
Library administration.....	509,130	(5,148)	503,982	503,982	-
Recreation administration.....	122,040	17,663	139,703	139,703	-
Contribution to area agencies.....	274,280	(5,095)	269,185	269,185	-
TOTAL COMMUNITY SERVICES.....	1,429,340	610	1,429,950	1,429,950	-
COMMUNITY DEVELOPMENT:					
Planning administration.....	207,470	(3,462)	204,008	204,008	-
Planning/zoning inland/wetland.....	22,350	(1,903)	20,447	20,447	-
Boards and commissions.....	54,050	1,016	55,066	55,066	-
TOTAL COMMUNITY DEVELOPMENT.....	283,870	(4,349)	279,521	279,521	-
TOWNWIDE EXPENDITURES:					
Employee benefits.....	1,418,330	234,496	1,652,826	1,652,826	-
Medical Pension Trust.....		40,000	40,000	40,000	-
Pension Plan-Vol. Fire.....	35,000	(35,000)			-
Insurance.....	111,000	8,324	119,324	119,324	-
Contingency.....	8,500	(8,500)			-
TOTAL TOWNWIDE EXPENDITURES.....	1,572,830	239,320	1,812,150	1,812,150	-
TOTAL TOWN EXPENDITURES.....	9,194,340	310,658	9,504,998	9,504,998	-
EDUCATION:					
Contribution to Region No.19 board of education.....	7,728,080		7,728,080	7,728,080	-
Mansfield board of education.....	16,866,030		16,866,030	16,862,424	3,606
TOTAL EDUCATION.....	24,594,110	-	24,594,110	24,590,504	3,606
TOTAL EXPENDITURES.....	33,788,450	310,658	34,099,108	34,095,502	3,606
OTHER FINANCING USES:					
Transfers out:					
Capital projects fund - town.....		20,000	20,000	20,000	-
Capital projects fund - board.....	90,000		90,000	90,000	-
Special revenue funds:					
Recreation program fund.....	25,000	10,000	35,000	35,000	-
Other operating funds - town.....	15,500		15,500	15,500	-
Other operating funds - board.....	46,000		46,000	46,000	-
Bond fund.....	400,000		400,000	400,000	-
TOTAL OTHER FINANCING USES.....	576,500	30,000	606,500	606,500	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 34,364,950	\$ 340,658	\$ 34,705,608	\$ 34,702,002	\$ 3,606

(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, 2005

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
EXPENDITURES:					
Regular instruction.....	\$ 6,597,760	\$ (135,794)	\$ 6,461,966	\$ 6,461,966	\$ -
English.....	58,850	(4,542)	54,308	54,308	-
World languages.....	11,710	(591)	11,119	11,119	-
Health and safety.....	10,870	(4,422)	6,448	6,448	-
Physical education.....	14,790	(743)	14,047	14,048	(1)
Art.....	12,970	(1,357)	11,613	11,613	-
Mathematics.....	28,490	(4,762)	23,728	23,728	-
Music.....	17,490	(174)	17,316	17,316	-
Science.....	27,570	(2,821)	24,749	24,749	-
Social studies.....	19,860	(696)	19,164	19,164	-
Computer education.....	131,060	12,313	143,373	143,373	-
Family and consumer sciences.....	8,150	(809)	7,341	7,341	-
Technology education.....	8,450	326	8,776	8,776	-
Special ed instruction.....	1,352,490	(55,085)	1,297,405	1,297,405	-
Enrichment.....	246,130	(11,510)	234,620	234,620	-
Preschool.....	290,740	(5,676)	285,064	285,064	-
Remedial education.....	312,990	(130,956)	182,034	182,034	-
Summer school free only (ED001).....	34,000	(1,430)	32,570	32,570	-
Tuition payments.....	170,000	57,620	227,620	227,620	-
Central service - instructional supplies.....	157,620	(10,731)	146,889	146,889	-
Guidance services.....	148,160	(27,651)	120,509	120,509	-
Health services.....	187,140	(1,444)	185,696	185,696	-
Occupational and physical therapy.....	141,000	(3,037)	137,963	137,963	-
Speech and hearing services.....	111,420	(3,333)	108,087	108,087	-
Pupil services - testing.....	21,570	(7,605)	13,965	13,965	-
Psychological services - S.E.....	297,090	(2,218)	294,872	294,873	(1)
Curriculum development.....	195,720	(9,112)	186,608	186,608	-
Professional development.....	33,080	(5,967)	27,113	27,113	-
Media services.....	22,010	(466)	21,544	21,544	-
Library.....	230,210	187	230,397	230,397	-
Board of education.....	319,490	32,246	351,736	351,736	-
Superintendent's office.....	301,630	(22,403)	279,227	279,227	-
Special education admin.....	231,530	(19,228)	212,302	212,302	-
Principals' office.....	799,250	(13,323)	785,927	785,927	-
Support services - central.....	17,450	(966)	16,484	16,484	-
Field studies.....	13,000	(604)	12,396	12,396	-
Business management.....	252,690	212	252,902	252,902	-
Plant operations - building.....	1,116,100	228,170	1,344,270	1,344,270	-
Regular transportation.....	579,070	36,524	615,594	615,594	-
Special education transportation.....	60,000	109,209	169,209	169,208	1
After school program.....	20,950	(2,873)	18,077	18,077	-
Athletic program.....	22,920	(2,088)	20,832	20,832	-
Employee benefits.....	2,232,560	17,610	2,250,170	2,246,563	3,607
TOTAL EXPENDITURES.....	16,866,030	-	16,866,030	16,862,424	3,606
OTHER FINANCING USES:					
Transfers out:					
Capital Projects Fund.....	90,000		90,000	90,000	-
Other operating funds.....	46,000		46,000	46,000	-
TOTAL OTHER FINANCING USES.....	136,000	-	136,000	136,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 17,002,030	\$ -	\$ 17,002,030	\$ 16,998,424	\$ 3,606

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2005

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2004	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2005
			ADDITIONS *	DEDUCTIONS **			TAXES	INTEREST AND LIEN FEES	TOTAL	
1989	\$ 3,708	\$	\$	\$	\$	\$ 3,708	\$ 1,726	\$ 3,274	\$ 5,000	\$ 1,982
1990	2,056					2,056			-	2,056
1991	1,501				92	1,409	(647)		(647)	2,056
1992	976				403	573			-	573
1993	1,668			4	461	1,203	630	48	678	573
1994	1,499				403	1,096	391	689	1,080	705
1995	2,992				1,050	1,942	184	641	825	1,758
1996	6,713				1,236	5,477	3,482	4,494	7,976	1,995
1997	6,961		26		1,382	5,605	3,605	4,060	7,665	2,000
1998	15,106		221		1,359	13,968	8,965	6,653	15,618	5,003
1999	28,717		26		4,313	24,430	16,566	12,238	28,804	7,864
2000	35,065		184	2,078	2,421	30,750	18,338	12,007	30,345	12,412
2001	79,862		180	2,435	13,317	64,290	34,989	14,648	49,637	29,301
2002	264,687		15,142	10,268	34,994	234,567	116,984	29,571	146,555	117,583
TOTAL PRIOR YEARS	451,511	-	15,779	14,785	61,431	391,074	205,213	88,323	293,536	185,861
2003	18,425,264	18,425,264	58,550	158,316		18,325,498	18,039,519	47,176	18,086,695	285,979
TOTAL	\$ 451,511	\$ 18,425,264	\$ 74,329	\$ 173,101	\$ 61,431	\$ 18,716,572	\$ 18,244,732	\$ 135,499	\$ 18,380,231	\$ 471,840
					Advance collections		276,593		276,593	
					Suspense collections		6,923	4,833	11,756	
					Total collections		\$ 18,528,248	\$ 140,332	\$ 18,668,580	

* Includes reduction of elderly credit
** Includes local elderly option

Capital Projects Fund

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, 2005

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	-
Old town hall repairs.....	16,500		16,500	-
Community Center Architectual Study.....	10,000		10,000	-
Pool Car 2004/2005.....	20,022		15,817	(4,205)
Town hall furnishings.....	90,824	85,839	4,985	90,824
Water supply study.....	90,000	90,000	90,000	-
Lands of unique value study.....	55,500	55,000	500	55,500
Operating system software upgrade.....	30,860	25,000	5,860	30,860
Employee classification study.....	20,000	20,000	20,000	-
Plan of conservation and development.....	10,000	10,000	10,000	-
Assisted living facility study.....	25,000		25,000	-
Replace engine 107/117.....	752,230	350,000	102,431	452,431
Police cruiser 2004/2005.....	28,500		28,500	28,500
Hazardous waste trailer.....	15,000		15,000	15,000
PERS alert alarm safety.....	85,108		85,108	85,108
Air bags and foam tank repair.....	20,000		20,000	20,000
Radio equipment.....	95,996		95,996	95,996
Fire ponds.....	15,500	15,500	15,500	-
Roof replacement.....	97,500	95,000	2,500	97,500
Small bridges and culverts.....	261,084	261,084	261,084	-
Large bridge maintenance.....	453,236	478,236	(25,000)	453,236
Town walkways.....	85,000	705,000	(620,000)	85,000
Road drainage.....	320,311	345,311	(25,000)	320,311
Maple road drainage.....	404,800	178,064	78,411	256,475
Birch road T.E.P.....	826,880	289,729	338,426	628,155
Guard rails.....	24,197	29,197	(5,000)	24,197
Mansfield center T.E.P.....	390,000	286,384		286,384
Maple road reconstruction.....	1,272,000	115,000		115,000
Road resurfacing.....	648,677	415,000	235,000	650,000
Clover Mill Road reclaim.....	144,200		33,400	33,400
Separatist Road bikeway.....	750,000		650,000	650,000
Large dump truck.....	90,058	95,000	(4,942)	90,058
Grounds tractor.....	24,579		24,579	24,579
Pickup truck.....	35,000		35,000	35,000
Truck tractor.....	40,219		40,219	40,219
Snowplows.....	12,472	6,972	5,500	12,472
Engineering CAD upgrades.....	93,500	78,500	15,000	93,500
Mapping workstation and software.....	120,000	120,000		120,000
Tree replacement.....	15,000	10,000	5,000	15,000
Storrs center area improvement.....	450,000	450,000		450,000
MDP revital and enhancement.....	640,000	169,102	118,980	288,082
MDP legal and consulting.....	35,000		35,000	35,000
Library floor and stage.....	32,085	36,818	(4,733)	32,085
Library chimney.....	12,079	20,000	(7,921)	12,079
ADA compliance.....	25,000	25,000		25,000
Senior center equipment.....	30,000	30,000		30,000
Carpet extracting machine.....	5,000		5,000	5,000
Lions club park.....	517,000	517,000		517,000
Open space purchase.....	3,143,855	3,143,855		3,143,855
Plains Road reconstruction area.....	40,000		25,000	25,000
Community center.....	7,765,000	7,765,000		7,765,000
Community center walking track.....	325,000	44,000	30,000	74,000
Community center equipment.....	50,000		50,000	50,000

(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
Park improvements.....	\$ 148,000	\$ 138,000	\$ 10,000	\$ 148,000	\$ -
Playground resurfacing.....	27,000	22,000	5,000	27,000	-
Southeast park improvement.....	14,000	14,000		14,000	-
Maintenance shop windows.....	57,500		57,500	57,500	-
MMS kitchen modifications.....	48,800		9,760	9,760	(39,040)
Deferred maintenance projects.....	410,000		10,000	10,000	(400,000)
MMS stage curtains.....	30,000	10,000		10,000	(20,000)
Southeast boiler replacement.....	309,936	211,436	98,500	309,936	-
Elementary school shelving.....	10,000	10,000		10,000	-
Modular classrooms.....	10,000		10,000	10,000	-
Middle school snowblower.....	50,000		50,000	50,000	-
Technology upgrade.....	50,000	25,000	25,000	50,000	-
TOTAL.....	\$ 21,835,008	\$ 16,901,027	\$ 1,735,876	\$ 18,636,903	\$ (3,198,105)

(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, 2005

	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	41,992	7,467	49,459	541
Old town hall repairs.....	16,500		16,327	16,327	173
Community center architectural study.....	10,000		11,180	11,180	(1,180)
Pool car 2004/2005.....	20,022		20,022	20,022	-
Town hall furnishings.....	90,824	86,053	4,771	90,824	-
Water supply study.....	90,000	50,010	2,035	52,045	37,955
Lands of unique value study.....	55,500	55,500		55,500	-
Operating system software upgrade.....	30,860	25,115	5,745	30,860	-
Employee classification study.....	20,000	7,658	6,217	13,875	6,125
Plan of conservation and development.....	10,000		3,933	3,933	6,067
Assisted living facility study.....	25,000			-	25,000
Replace engine 107/117.....	752,230	733,187	20,465	753,652	(1,422)
Police cruiser 2004/2005.....	28,500		25,390	25,390	3,110
Hazardous waste trailer.....	15,000		11,208	11,208	3,792
PERS alert safety system.....	85,108		85,108	85,108	-
Airbags and tank repair.....	20,000			-	20,000
Radio equipment.....	95,996		95,008	95,008	988
Fire ponds.....	15,500	6,851	1,026	7,877	7,623
Roof replacement.....	97,500	86,123	16,198	102,321	(4,821)
Small bridges and culverts.....	261,084	199,340	1,186	200,526	60,558
Large bridge maintenance.....	453,236	258,574	6,615	265,189	188,047
Town walkways.....	85,000	136,186	(19,213)	116,973	(31,973)
Road drainage.....	320,311	184,441		184,441	135,870
Maple road drainage.....	404,800	98,020	3,846	101,866	302,934
Birch road T.E.P.....	826,880	138,918	564,425	703,343	123,537
Guard rails.....	24,197	21,316	2,046	23,362	835
Mansfield center T.E.P.....	390,000	355,577		355,577	34,423
Maple road reconstruction.....	1,272,000	85,738	5,829	91,567	1,180,433
Road resurfacing.....	648,677	392,943	255,734	648,677	-
Clover Mill Road reclaim.....	144,200		849	849	143,351
Separatist Road bikeway.....	750,000		55,636	55,636	694,364
Large dump truck.....	90,058	275	89,783	90,058	-
Grounds tractor.....	24,579		24,579	24,579	-
Pickup truck.....	35,000		34,904	34,904	96
Truck tractor.....	40,219		40,219	40,219	-
Snowplows.....	12,472	6,972		6,972	5,500
Engineering CAD upgrades.....	93,500	54,671	5,557	60,228	33,272
Mapping workstation/software.....	120,000	80,261	11,072	91,333	28,667
Tree replacement.....	15,000	3,679		3,679	11,321
Storr's center area improvement.....	450,000	102,646		102,646	347,354
MDP revital and enhancement.....	640,000	175,887	112,194	288,081	351,919
MDP legal and consulting.....	35,000		19,629	19,629	15,371
Library floor and stage.....	32,085	32,085		32,085	-
Library chimney.....	12,079	469	11,610	12,079	-
ADA compliance.....	25,000	1,667	344	2,011	22,989
Senior center equipment.....	30,000	21,222	5,172	26,394	3,606
Carpet extracting machine.....	5,000		5,000	5,000	-
Lions club park.....	517,000	411,944		411,944	105,056
Open space purchase.....	3,143,855	2,558,437	28,871	2,587,308	556,547
Plains Road reconstruction area.....	40,000				40,000
Community center.....	7,765,000	7,808,406	72,035	7,880,441	(115,441)
Community center walking track.....	325,000	277,618		277,618	47,382
Community center equipment.....	50,000	6,987	12,989	19,976	30,024

(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 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
Park improvements.....	\$ 148,000	\$ 124,366	\$ 15,030	\$ 139,396	\$ 8,604
Playground resurfacing.....	27,000	14,381	8,932	23,313	3,687
Southeast park improvement.....	14,000				14,000
Southeast park playscape.....	57,500		37,049	37,049	20,451
WMTC River greenway.....	48,800				48,800
New wells - schools.....	410,000		21,238	21,238	388,762
MMS kitchen modifications.....	30,000	11,023		11,023	18,977
Deferred maintenance projects.....	309,936	113,242	114,134	227,376	82,560
Elementary school shelving.....	10,000		12,775	12,775	(2,775)
PA system - elementary schools.....	10,000				10,000
MMS auditorium renovations.....	50,000		4,539	4,539	45,461
Technology upgrade.....	50,000	12,708	12,180	24,888	25,112
TOTAL.....	\$ 21,835,008	\$ 14,842,488	\$ 1,908,888	\$ 16,751,376	\$ 5,083,632

(Concluded)

Enterprise Funds

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.

Solid 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
 COMBINING BALANCE SHEET
 BY CUSTOMER
 JUNE 30, 2005

	UCONN	WILLIMANTIC	TOTAL
<u>ASSETS</u>			
Current assets:			
Investments.....	\$ 22,140	\$ 343,000	\$ 365,140
Accounts receivable.....		45,711	45,711
Total current assets.....	22,140	388,711	410,851
Noncurrent assets:			
Accounts receivable.....		1,685	1,685
Capital assets (net of accumulated depreciation):			
Land.....	3,000	63,298	66,298
Pump station.....	126,976		126,976
Sewer distribution system.....	166,803	306,803	473,606
Total capital assets (net of accumulated depreciation).....	296,779	370,101	666,880
Total noncurrent assets.....	296,779	371,786	668,565
TOTAL ASSETS.....	318,919	760,497	1,079,416
<u>LIABILITY</u>			
Current liabilities:			
Accounts payable.....		17,513	17,513
<u>NET ASSETS</u>			
Invested in capital assets.....	296,779	370,101	666,880
Unrestricted.....	22,140	372,883	395,023
TOTAL NET ASSETS.....	\$ 318,919	\$ 742,984	\$ 1,061,903

TOWN OF MANSFIELD, CONNECTICUT

SEWER OPERATING FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 BY CUSTOMER
 FOR THE YEAR ENDED JUNE 30, 2005

	UCONN	WILLIMANTIC	TOTAL
OPERATING REVENUES:			
Sewer charges.....	\$ 80,000	\$ 98,000	\$ 178,000
Other revenues.....		968	968
TOTAL OPERATING REVENUES.....	80,000	98,968	178,968
OPERATING EXPENSES:			
Sewer billings.....	53,344	54,568	107,912
Supplies and services.....	20,949		20,949
Depreciation.....	10,068	14,273	24,341
TOTAL OPERATING EXPENSES.....	84,361	68,841	153,202
CHANGE IN NET ASSETS.....	(4,361)	30,127	25,766
TOTAL NET ASSETS - JULY 1, 2004	323,280	712,857	1,036,137
TOTAL NET ASSETS - JUNE 30, 2005.....	\$ 318,919	\$ 742,984	\$ 1,061,903

TOWN OF MANSFIELD, CONNECTICUT

SEWER OPERATING FUND
 SCHEDULE OF SEWER USER CHARGES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	CURRENT LEVY	AMOUNT COLLECTIBLE	PRINCIPAL	COLLECTIONS		BALANCE JUNE 30, 2005
					INTEREST AND LIENS	TOTAL	
SEWER USER CHARGES:							
Willimantic.....	\$ 43,294	\$ 98,000	\$ 141,294	\$ 93,018	\$ 968	\$ 93,986	\$ 48,276
UCONN.....		80,000	80,000	80,000		80,000	-
TOTAL.....	\$ 43,294	\$ 178,000	\$ 221,294	\$ 173,018	\$ 968	\$ 173,986	\$ 48,276
					Less allowance for uncollectibles		880
					Net Sewer user charges receivable		\$47,396

Nonmajor Governmental Funds

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.

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, 2005

	SPECIAL REVENUE FUNDS							TOTAL
	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD FUND	COMMUNITY DEVELOPMENT FUND	
ASSETS								
Cash.....	\$ 207,476	\$ 106,598	\$ 600	\$ 303,913	\$ 89,785	\$ 49,153	\$ 600	\$ 1,103,657
Investments.....			346,732					
Receivables:								
Sewer assessments.....	3,700							3,700
Intergovernmental.....		10,025			20,599			30,624
Other.....			32,854	983	6,276			33,837
Other assets.....								6,276
TOTAL ASSETS.....	\$ 211,176	\$ 116,623	\$ 380,186	\$ 304,896	\$ 116,660	\$ 49,153	\$ -	\$ 1,178,694
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts and other payables.....								
Due to other funds.....								
Unearned revenue.....	3,700	19,266	13,152	11,708	4,060	10,465	14,226	58,651
TOTAL LIABILITIES.....	3,700	115,973	251,068	11,708	10,287	10,465	14,226	417,427
FUND BALANCES:								
Unreserved and undesignated.....	207,476	650	129,118	293,188	106,373	38,688	(14,226)	761,267
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 211,176	\$ 116,623	\$ 380,186	\$ 304,896	\$ 116,660	\$ 49,153	\$ -	\$ 1,178,694

(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	
ASSETS							
Cash.....	\$ 136,939	\$ 171,153	\$ -	\$ 367,879	\$ 731	\$ 368,610	\$ 600
Investments.....	-	-	308,092	-	-	-	1,780,359
Receivables:							
Sewer assessments.....	-	-	-	-	-	-	3,700
Intergovernmental.....	-	-	-	-	-	-	30,624
Other.....	-	-	-	-	-	-	33,837
Other assets.....	-	-	-	-	-	-	6,276
TOTAL ASSETS.....	\$ 136,939	\$ 171,153	\$ 308,092	\$ 367,879	\$ 731	\$ 368,610	\$ 1,855,396
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts and other payables.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,651
Due to other funds.....	-	-	227,671	-	-	-	333,154
Unearned revenue.....	-	-	-	-	-	-	253,293
TOTAL LIABILITIES.....	\$ -	\$ 227,671	\$ 227,671	\$ -	\$ -	\$ -	\$ 645,098
FUND BALANCES:							
Reserved for debt service.....	136,939	-	136,939	366,679	-	366,679	136,939
Reserved for perpetual care.....	-	-	-	1,200	452	1,652	366,679
Reserved for endowments.....	-	-	-	-	-	-	1,652
Total reserved.....	136,939	-	136,939	367,879	452	368,331	505,270
Unreserved and undesignated.....	-	(56,518)	(56,518)	-	279	279	705,028
TOTAL FUND BALANCES.....	\$ 136,939	\$ (56,518)	\$ 80,421	\$ 367,879	\$ 731	\$ 368,610	\$ 1,210,298
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 136,939	\$ 171,153	\$ 308,092	\$ 367,879	\$ 731	\$ 368,610	\$ 1,855,396

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	SPECIAL REVENUE FUNDS							TOTAL
	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD FUND	COMMUNITY DEVELOPMENT FUND	
REVENUES:								
Intergovernmental.....	\$ 1,339,206	\$ 509,881	\$ -	\$ 46,367	\$ 151,530	\$ 127,680	\$ 262,072	\$ 2,436,736
Investment income.....	100,000			95				100,095
Charges for services.....	330,582		1,632,272	223,082	620,377			2,806,313
Contributions.....			21,364	97,839				119,203
Other local revenues.....				68,145				68,145
TOTAL REVENUES.....	1,769,788	509,881	1,653,636	435,528	771,907	127,680	262,072	5,530,492
EXPENDITURES:								
Current:								
General government.....				122,865				122,865
Public safety.....				13,283				13,283
Public works.....						100,124		100,124
Community services.....	10,000		1,820,347	199,450			276,298	2,306,095
Education.....		509,881		127,287	764,003			1,401,171
TOTAL EXPENDITURES.....	10,000	509,881	1,820,347	462,885	764,003	100,124	276,298	3,943,538
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,759,788	-	(166,711)	(27,357)	7,904	27,556	(14,226)	1,586,954
OTHER FINANCING SOURCES (USES):								
Transfers in.....			115,000	61,500				176,500
Transfers out.....	(1,857,137)		(19,760)		(2,500)	(15,000)		(1,894,397)
NET OTHER FINANCING SOURCES (USES).....	(1,857,137)	-	95,240	61,500	(2,500)	(15,000)	-	(1,717,897)
NET CHANGE IN FUND BALANCES.....	(97,349)	-	(71,471)	34,143	5,404	12,556	(14,226)	(130,943)
FUND BALANCES - JULY 1, 2004.....	304,825	650	200,589	259,045	100,969	26,132	-	892,210
FUND BALANCES - JUNE 30, 2005.....	\$ 207,476	\$ 650	\$ 129,118	\$ 293,188	\$ 106,373	\$ 38,688	\$ (14,226)	\$ 761,267

(Continued)

TOWN OF MANSFIELD, CONNECTICUT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONCLUDED)

	DEBT SERVICE FUNDS			PERMANENT FUNDS			TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	BOND FUND	COMPENSATED ABSENCES FUND	TOTAL	CEMETERY FUND	LOCAL SCHOOL FUND	TOTAL	
REVENUES:							
Intergovernmental.....	\$ 366,387	\$ -	\$ 366,387	\$ -	\$ -	\$ -	\$ 2,803,123
Investment income.....		6,540	6,540		17	12,967	119,602
Charges for services.....				12,950		3,601	2,809,914
Net increase in fair value of investments.....		1,617	1,617	3,001	4	3,005	4,622
Contributions.....							119,203
Other local revenues.....							68,145
TOTAL REVENUES.....	366,387	8,157	374,544	19,552	21	19,573	5,924,609
EXPENDITURES:							
Current:							
General government.....	4,800	19,113	23,913				146,778
Public safety.....							13,283
Public works.....							100,124
Community services.....				27,441		27,441	2,333,536
Education.....							1,401,171
Debt service:							
Principal.....	980,000		980,000				980,000
Interest.....	261,507		261,507				261,507
TOTAL EXPENDITURES.....	1,246,307	19,113	1,265,420	27,441	-	27,441	5,236,399
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(879,920)	(10,956)	(890,876)	(7,889)	21	(7,868)	688,210
OTHER FINANCING SOURCES (USES):							
Transfers in.....	695,000		695,000				871,500
Transfers out.....							(1,894,397)
NET OTHER FINANCING SOURCES (USES).....	695,000	-	695,000	-	-	-	(1,022,897)
NET CHANGE IN FUND BALANCES.....	(184,920)	(10,956)	(195,876)	(7,889)	21	(7,868)	(334,687)
FUND BALANCES - JULY 1, 2004.....	321,859	(45,562)	276,297	375,768	710	376,478	1,544,985
FUND BALANCES - JUNE 30, 2005.....	\$ 136,939	\$ (56,518)	\$ 80,421	\$ 367,879	\$ 731	\$ 368,610	\$ 1,210,298

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL NONRECURRING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental.....	\$ 1,764,300	\$ 1,764,300	\$ 1,339,206	\$ (425,094)
Investment income.....	100,000	100,000	100,000	-
Charges for services.....	330,000	330,000	330,582	582
Other local revenues.....	3,000	3,000		(3,000)
TOTAL REVENUES.....	2,197,300	2,197,300	1,769,788	(427,512)
EXPENDITURES:				
Community services.....	10,000	10,000	10,000	-
EXCESS OF REVENUES OVER EXPENDITURES.....	2,187,300	2,187,300	1,759,788	(427,512)
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	364,500	364,500		(364,500)
Transfers out.....	(2,451,800)	(2,451,800)	(1,857,137)	594,663
NET OTHER FINANCING SOURCES (USES).....	(2,087,300)	(2,087,300)	(1,857,137)	230,163
NET CHANGE IN FUND BALANCE.....	\$ 100,000	\$ 100,000	(97,349)	\$ (197,349)
FUND BALANCE - JULY 1, 2004.....			304,825	
FUND BALANCE - JUNE 30, 2005.....			<u>\$ 207,476</u>	

TONY LOE MANSFIELD, CONNECTICUT

OTHER OPERATING FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	REVENUES AND OTHER FINANCING SOURCES					EXPENDITURES AND OTHER FINANCING USES					FUND BALANCES (DEFICITS) JULY 1, 2004	FUND BALANCES (DEFICITS) JUNE 30, 2005		
	INTER-GOVERNMENTAL	INVESTMENT INCOME	CHARGES FOR SERVICES	CONTRIBUTIONS	OTHER LOCAL REVENUES	TRANSFERS IN	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	COMMUNITY SERVICES	EDUCATION	TOTAL		
Adventure learning.....							10,000				11,105	11,105	2,548	1,443
Ambulance services.....							109,506					109,506	673	673
BSAA/AL Hope park program.....					585		585			385		385	222	422
Beautification committee.....					5,314		5,314			5,345		5,345	192	161
The blueberry fund.....					2,141		2,141			3,818		3,818	1,493	(184)
Daycare program.....										140	140	140	424	284
CL & P environmental education.....							4,000			130	4,702	1,260	1,260	1,130
Community conversation.....												6,908	6,206	
Dorothy Goodwin program.....													(3,289)	(3,289)
Daycare partnership.....													(3,451)	(951)
BMS equipment grant.....	8,000							1,124	6,900	5,500		6,900	(642)	(1,766)
Electronic units paid.....														
Employee wellness program.....	6,900													
Expanded DUI enforcement program.....					10,137		10,137							
FEKA firefighter safety grant.....					1,160		1,160							
Family literacy.....														
Friends of Mansfield parks.....					46		46			150	900	900	120	260
Federal highway safety grant.....													(46)	(30)
Festival of lights.....													1,000	1,000
Financial reporting model 34.....													28,110	28,110
Firefighters' pension.....								25,500				25,500	59,000	33,500
Flanagan grant.....										573		573	621	48
Fred Cazal garden.....										230		230	441	211
Friends of the library.....							28,100				20,317	15,020	22,803	22,803
General services special needs.....							6,961			5,208		5,208	2,813	4,566
Graustein discovery grant.....							34,041			26,231		26,231	(10,743)	(2,933)
Historic document preservation.....	7,000		3,022					11,594				11,594	7,847	6,275
Juniper Hill fire assistance.....													6,716	6,716
Junior bank program.....					2,000		2,000		6,383			6,383	(61)	(61)
Liberty bank program.....													1,278	1,278
Mansfield 300 celebration.....													(5,881)	1,374
Mansfield challenge - summer.....						10,500	10,500					3,045	165	165
Mansfield school readiness council.....													7,492	5,958
Mansfield summer school program.....						5,000	5,141				6,675	6,675	5,200	12,621
MDP festival on the green.....			141				18,331			10,910		10,910	(39)	
NHS composting project.....					39		39						268	268
National science foundation grant.....													32	32
NECASA academic progress.....	300				2,000		2,000				1,968	1,968	(63)	(328)
NECASA peer outreach.....	2,100						300			565	565	629	408	408
NECASA safe graduation.....							2,100			2,321		2,321	39	39
NECASA science based project.....													46	46
NECASA tobacco reduction.....													(431)	(431)
Nuclear safety emergency.....	13,000										14,579	14,579	(3,021)	
Oak Grove school.....						4,000	4,000					15	15	15
PAWS substance abuse prevention.....	900										518	518	382	382
Parent education.....													10	10
Police - underage drinking program.....													56,246	51,993
Preschool tuition.....											4,653	4,653	2,132	2,132
Rec. program scholarship fund.....							1,338						(1,400)	(1,400)
Recreation equipment fund.....													20	20
Regional arts enhancement.....													2,300	2,300
Safe graduation.....													(11,464)	
School bus fund.....											14,924	14,924	3,381	5,179
Senior programs.....					26,388		26,388			10,694		10,694	65,335	162,706
Special education tuition - other schools.....					460		460						5,470	
Summer curriculum.....	7,567						97,171						38,450	
Suzuki.....													(775)	
UConn Students.....														
Wellness center program.....													3,983	4,153
What's going on program.....													319	319
Year 2004 property revaluation.....								84,647				84,647	26,611	(98,036)
Youth services special needs.....													1,655	1,410
TOTAL.....	46,567	95	223,082	97,839	68,145	61,500	497,028	122,865	13,283	199,450	127,287	462,885	259,045	293,188

Internal Service Funds

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 MANFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2005

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<u>ASSETS</u>				
Current assets:				
Investments.....	\$ 303,956	\$ 996	\$ 434,376	\$ 739,328
Accounts receivable.....	135,812			135,812
Due from other funds.....	329,201			329,201
Other.....			17,865	17,865
Total current assets.....	768,969	996	452,241	1,222,206
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....			145,649	145,649
Construction in progress.....			48,663	48,663
Land improvements.....			259,740	259,740
Buildings.....			106,005	106,005
Office equipment.....			413,328	413,328
Total noncurrent assets.....	-	-	973,385	973,385
TOTAL ASSETS.....	768,969	996	1,425,626	2,195,591
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....			22,391	22,391
Accrued claims payable.....	480,000			480,000
Due to other funds.....	566			566
TOTAL LIABILITIES.....	480,566	-	22,391	502,957
<u>NET ASSETS</u>				
Invested in capital assets.....			973,385	973,385
Unrestricted.....	288,403	996	429,850	719,249
TOTAL NET ASSETS.....	\$ 288,403	\$ 996	\$ 1,403,235	\$ 1,692,634

TOWN OF MANSFIELD, CONNECTICUT

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
OPERATING REVENUES:				
Premiums.....	\$ 4,965,057	\$ 319,820	\$	\$ 5,284,877
Charges for services.....	566		579,080	579,646
Sales.....			35,734	35,734
Rental income.....			165,371	165,371
Contributions.....			270,000	270,000
Other.....			11,584	11,584
TOTAL OPERATING REVENUES.....	4,965,623	319,820	1,061,769	6,347,212
OPERATING EXPENSES:				
Wages and fringe benefits.....	86,819		117,616	204,435
Administrative.....	553,508			553,508
Medical claims.....	4,398,084			4,398,084
Workers' compensation.....		320,047		320,047
Repairs & maintenance.....			156,243	156,243
Supplies, materials & rentals.....			102,536	102,536
Software & related communication costs.....	10,000		113,087	123,087
Phone.....			125,630	125,630
System support.....			68,807	68,807
Depreciation.....			161,421	161,421
TOTAL OPERATING EXPENSES.....	5,048,411	320,047	845,340	6,213,798
OPERATING INCOME (LOSS).....	(82,788)	(227)	216,429	133,414
NONOPERATING REVENUES:				
Investment income.....	10,593			10,593
INCOME (LOSS) BEFORE TRANSFERS.....	(72,195)	(227)	216,429	144,007
OTHER FINANCING SOURCES (USES):				
Transfers in.....	200,000		200,000	400,000
Transfers out.....			(28,522)	(28,522)
NET OTHER FINANCING SOURCES (USES)....	200,000	-	171,478	371,478
CHANGES IN NET ASSETS.....	127,805	(227)	387,907	515,485
TOTAL NET ASSETS - JULY 1, 2004.....	160,598	1,223	1,015,328	1,177,149
TOTAL NET ASSETS - JUNE 30, 2005.....	\$ 288,403	\$ 996	\$ 1,403,235	\$ 1,692,634

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$	\$	\$ 797,925	\$ 797,925
Premiums received.....	4,948,948	333,444		5,282,392
Payments to vendors.....	(743,751)	(332,448)	(562,819)	(1,639,018)
Payments for claims.....	(4,398,084)			(4,398,084)
Payments to employees.....	(86,819)		(117,616)	(204,435)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(279,706)	996	117,490	(161,220)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net transfers from other funds.....	200,000		171,478	371,478
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....			(211,806)	(211,806)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income from investments.....	10,593			10,593
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(69,113)	996	77,162	9,045
CASH AND CASH EQUIVALENTS - JULY 1, 2004.....	373,069		357,214	730,283
CASH AND CASH EQUIVALENTS - JUNE 30, 2005.....	\$ 303,956	\$ 996	\$ 434,376	\$ 739,328
RECONCILIATION TO BALANCE SHEET CASH:				
Cash and cash equivalents per above.....	\$ 303,956	\$ 996	\$ 434,376	\$ 739,328
Cash and cash equivalents reported as investments.....	(303,956)	(996)	(434,376)	(739,328)
BALANCE SHEET CASH.....	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (82,788)	\$ (227)	\$ 216,429	\$ 133,414
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.....			161,421	161,421
Contribution for cell tower.....			(270,000)	(270,000)
(Increase) decrease in:				
Accounts receivable.....	(16,675)	13,624	6,156	3,105
Due from other funds.....	(128,552)			(128,552)
Other.....			(181)	(181)
Increase (decrease) in:				
Accounts payable.....	-		3,665	3,665
Due to other funds.....	(51,691)	(12,401)		(64,092)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (279,706)	\$ 996	\$ 117,490	\$ (161,220)

Fiduciary Funds

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.

Mansfield Downtown Partnership

This fund is used to account for the funds from private businesses used for downtown revitalization efforts

Performance Bonds

This fund is used to account for the cash performance bonds the Town requires for various types of activities.

TOWN OF MANSFIELD, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004 (AS RESTATED)	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005
<u>ASSETS</u>				
CASH:				
Student activities fund.....	\$ 59,466	\$ 116,226	\$ 127,876	\$ 47,816
INVESTMENTS:				
Celeron square sewer fund.....	91,143	9,608		100,751
Eastbrook heights sewer fund.....	96,371	3,891		100,262
Courtyard associates sewer fund.....	48,061	2,684		50,745
Ledgebrook sewer fund.....	56,393	5,178		61,571
Holinko estates sewer fund.....	19,844	2,007		21,851
Freedom green sewer fund.....	47,024	7,738		54,762
Dependent care fund.....	8,550	37,955	36,121	10,384
Uninsured medical costs fund.....	3,280	48,029	43,906	7,403
Mid-Neroc operating fund.....	141,424	47,387	45,058	143,753
Mansfield downtown partnership.....		47,752		47,752
TOTAL INVESTMENTS.....	512,090	212,229	125,085	599,234
ACCOUNTS RECEIVABLE:				
Dependent care fund.....	1,080	76,572	77,602	50
Uninsured medical costs fund.....	11,500	93,718	97,667	7,551
Mid-Neroc operating fund.....				
Mansfield downtown partnership.....		900		900
TOTAL ACCOUNTS RECEIVABLE.....	12,580	171,190	175,269	8,501
DUE FROM OTHER FUNDS:				
Performance bonds.....	371,384	168,425	185,800	354,009
TOTAL ASSETS.....	\$ 955,520	\$ 668,070	\$ 614,030	\$ 1,009,560
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Student activities fund.....	\$ 59,466	\$ 116,226	\$ 127,876	\$ 47,816
Performance bonds.....	371,384	168,425	185,800	354,009
Celeron square sewer fund.....	91,143	9,608		100,751
Eastbrook heights sewer fund.....	96,371	3,891		100,262
Courtyard associates sewer fund.....	48,061	2,684		50,745
Ledgebrook sewer fund.....	56,393	5,178		61,571
Holinko estates sewer fund.....	19,844	2,007		21,851
Freedom green sewer fund.....	47,024	7,738		54,762
Dependent care fund.....	9,630	114,527	113,723	10,434
Uninsured medical costs fund.....	14,780	141,747	141,573	14,954
Mid-Neroc operating fund.....	141,424	47,387	45,058	143,753
Mansfield downtown partnership.....		48,287		48,287
TOTAL ACCOUNTS PAYABLE.....	955,520	667,705	614,030	1,009,195
DUE TO OTHER FUNDS:				
Mansfield downtown partnership.....		365		365
TOTAL ASSETS.....	\$ 955,520	\$ 668,070	\$ 614,030	\$ 1,009,560

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

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 JUNE 30, 2005 AND 2004

	2005	2004
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land and land improvements.....	\$ 4,782,769	\$ 4,782,769
Construction in progress.....	2,155,273	1,366,951
Buildings.....	32,727,850	32,727,850
Improvements other than buildings.....	382,839	382,839
Machinery, equipment and vehicles.....	4,344,485	3,965,819
Infrastructure.....	46,963,229	46,738,229
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....	\$ 91,356,445	\$ 89,964,457
INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:		
Property taxes.....	\$ 53,610,762	\$ 51,469,345
General obligation bonds.....	24,167,442	25,967,861
Intergovernmental.....	12,973,341	11,872,433
Contributions.....	604,900	654,818
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....	\$ 91,356,445	\$ 89,964,457

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 MANSEFIELD, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2005**

FUNCTION AND ACTIVITY	TOTAL	LAND IMPROVEMENTS	CONSTRUCTION IN PROGRESS	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY, EQUIPMENT AND VEHICLES	INFRASTRUCTURE
GENERAL GOVERNMENT:							
General government.....	\$ 2,372,023	\$ 4,609	\$ 4,310	\$ 1,738,260	\$ 101,800	\$ 523,044	\$ -
Town manager.....	37,660					37,660	
Finance.....	52,063					52,063	
TOTAL GENERAL GOVERNMENT.....	2,461,746	4,609	4,310	1,738,260	101,800	612,767	-
PUBLIC SAFETY:							
Civil defense.....	53,030					53,030	
Police protection.....	75,738					75,738	
Fire protection.....	849,911		753,653	37,200		59,058	
TOTAL PUBLIC SAFETY.....	978,679	-	753,653	37,200	-	187,826	-
PUBLIC WORKS:							
Public works.....	51,827,875	262,060	953,261	553,780	155,432	2,940,113	46,963,229
Building maintenance.....	225						
TOTAL PUBLIC WORKS.....	51,828,100	262,285	953,261	553,780	155,432	2,940,113	46,963,229
COMMUNITY SERVICES:							
Social services.....	664,355	12,496		625,405	6,600	19,854	
Library services.....	2,787,128	433	32,085	2,749,610		5,000	
Recreation.....	11,079,576	2,899,487		8,033,375		146,714	
Daycare.....	1,861,909			1,801,232		60,677	
TOTAL COMMUNITY SERVICES.....	16,392,968	2,912,416	32,085	13,209,622	6,600	232,245	-
COMMUNITY DEVELOPMENT.....	390,726	-	390,726	-	-	-	-
EDUCATION.....	19,304,226	1,603,459	21,238	17,188,988	119,007	371,534	-
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....	\$ 91,356,445	\$ 4,782,769	\$ 2,153,273	\$ 32,727,850	\$ 382,839	\$ 4,344,485	\$ 46,963,229

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, 2005

	BALANCE JULY 1, 2004	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2005
GENERAL GOVERNMENT:				
General government.....	\$ 2,367,713	\$ 4,310	\$	\$ 2,372,023
Town manager.....	17,638	20,022		37,660
Finance.....	52,063			52,063
TOTAL GENERAL GOVERNMENT.....	2,437,414	24,332	-	2,461,746
PUBLIC SAFETY:				
Civil defense.....		53,030		53,030
Police protection.....	50,123	25,615		75,738
Fire protection.....	808,460	41,451		849,911
TOTAL PUBLIC SAFETY.....	858,583	120,096	-	978,679
PUBLIC WORKS:				
Public works.....	50,761,995	1,065,880		51,827,875
Building maintenance.....	225			225
TOTAL PUBLIC WORKS.....	50,762,220	1,065,880	-	51,828,100
COMMUNITY SERVICES:				
Social services.....	664,355			664,355
Library services.....	2,787,597		469	2,787,128
Recreation.....	11,038,857	40,719		11,079,576
Daycare.....	1,861,909			1,861,909
TOTAL COMMUNITY SERVICES.....	16,352,718	40,719	469	16,392,968
COMMUNITY DEVELOPMENT.....	278,533	112,193		390,726
EDUCATION.....	19,274,989	29,237		19,304,226
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....	\$ 89,964,457	\$ 1,392,457	\$ 469	\$ 91,356,445

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.

Statistical Tables

TABLE 1**TOWN OF MANSFIELD, CONNECTICUT****NET ASSETS BY COMPONENT
LAST THREE YEARS
(UNAUDITED)**

	FISCAL YEAR		
	2005	2004	2003
Governmental activities:			
Invested in capital assets, net of related debt.....	\$ 62,880,466	\$ 61,779,841	\$ 59,852,708
Restricted.....	3,612,577	840,920	2,809,552
Unrestricted.....	476,846	2,650,673	4,324,326
Total Governmental activities net assets.....	66,969,889	65,271,434	66,986,586
Business-type activities:			
Invested in capital assets, net of related debt.....	871,322	925,951	851,464
Unrestricted.....	301,106	416,974	473,154
Total Business-type activities net assets.....	1,172,428	1,342,925	1,324,618
Total Net Assets:			
Invested in capital assets, net of related debt.....	63,751,788	62,705,792	60,704,172
Restricted.....	3,612,577	840,920	2,809,552
Unrestricted.....	777,952	3,067,647	4,797,480
Total Net Assets.....	\$ 68,142,317	\$ 66,614,359	\$ 68,311,204

TABLE 2
(1 of 2)

TOWN OF MANSFIELD, CONNECTICUT

CHANGES IN NET ASSETS
LAST THREE YEARS
(UNAUDITED)

	FISCAL YEAR		
	2005	2004	2003
EXPENSES:			
Governmental activities:			
General government.....	\$ 2,538,107	\$ 2,417,854	\$ 2,626,803
Public safety.....	2,775,110	2,678,808	2,670,346
Public works.....	3,698,504	3,680,017	3,950,774
Community services.....	4,886,361	4,412,130	2,681,113
Community development.....	328,078	303,910	290,611
Education.....	26,431,915	26,897,222	24,757,645
Interest expense.....	282,086	276,633	413,621
Total Governmental activities expenses.....	40,940,161	40,666,574	37,390,913
Business-type activities:			
Sewer Department.....	153,202	152,480	166,831
Transfer Station.....	1,264,101	1,108,927	1,138,943
Total Business-type activities expenses.....	1,417,303	1,261,407	1,305,774
TOTAL EXPENSES.....	42,357,464	41,927,981	38,696,687
PROGRAM REVENUES:			
Governmental activities:			
Charges for services:			
General government.....	503,446	389,686	341,010
Public safety.....	224,262	179,162	24,040
Public works.....	753,717	518,020	538,157
Community services.....	1,722,586	1,466,428	481,356
Community development.....	151,635	28,346	17,888
Education.....	710,322	595,847	627,731
Operating grants and contributions.....	10,706,110	10,954,571	10,803,991
Capital grants and contributions.....	1,185,813	400,318	1,226,399
Total Governmental activities program revenues.....	15,957,891	14,532,378	14,060,572
Business-type activities:			
Charges for services:			
Sewer Department.....	178,000	178,000	178,000
Transfer Station.....	994,830	1,064,008	1,101,497
Operating grants and contributions.....	191,819	33,181	
Total Business-type activities program revenues.....	1,364,649	1,275,189	1,279,497
TOTAL PROGRAM REVENUES.....	17,322,540	15,807,567	15,340,069
NET (EXPENSE) REVENUE:			
Governmental activities.....	(24,982,270)	(26,134,196)	(23,330,341)
Business-type activities.....	(52,654)	13,782	(26,277)
TOTAL NET EXPENSE.....	(25,034,924)	(26,120,414)	(23,356,618)

(Continued)

TABLE 2
(2 of 2)

TOWN OF MANSFIELD, CONNECTICUT

CHANGES IN NET ASSETS
LAST THREE YEARS
(UNAUDITED)

	FISCAL YEAR		
	2005	2004	2004
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:			
Governmental activities:			
General revenues:			
Property taxes.....	\$ 18,524,910	\$ 17,559,957	\$ 15,779,448
Grants and contributions not restricted to specific programs.....	7,756,083	6,582,212	6,769,550
Investment income.....	312,972	176,649	291,935
Miscellaneous.....	86,760	100,226	37,318
Gain on sale of capital assets.....			3,031
Transfers.....			(10,000)
TOTAL GOVERNMENTAL ACTIVITIES	26,680,725	24,419,044	22,871,282
Business-type activities:			
Miscellaneous.....	2,157	4,525	5,544
Transfers.....			10,000
Total Business-type activities.....	2,157	4,525	15,544
TOTAL.....	26,682,882	24,423,569	22,886,826
CHANGE IN NET ASSETS:			
Governmental activities.....	1,698,455	(1,715,152)	(459,059)
Business-type activities.....	(50,497)	18,307	(10,733)
TOTAL.....	\$ 1,647,958	\$ (1,696,845)	\$ (469,792)

(Concluded)

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
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
2004	1,302,814	2,244,801	2,106,751	1,304,393	263,668	1,412,413	23,278,205	609,000	32,522,045
2005	1,380,487	2,349,450	2,253,440	1,429,950	279,521	1,812,150	24,590,504	606,500	34,702,002

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
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
2004	17,572,787	13,591,273	111,612	824,771	14,997	427,500	32,542,940
2005	18,571,837	15,211,261	173,845	1,039,695	4,886	252,500	35,254,024

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
1996	\$ 26.00	\$ 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%
2004	29.94	17,404,974	17,140,287	98.48%	266,984	17,407,271	100.01%	451,511	2.59%
2005	30.93	18,325,498	18,039,519	98.44%	212,136	18,251,655	99.60%	471,840	2.57%

Source: Town of Mansfield Tax Collector's Department.

(1) Includes overcollection of taxes and suspense collectors.

TOWN OF MANSFIELD, CONNECTICUT

TAXABLE GRAND LIST 1994-2003
LAST TEN YEARS
(UNAUDITED)

GRAND LIST AS OF OCTOBER 1,*	RESIDENTIAL REAL ESTATE PROPERTY			UTILITIES COMMERCIAL AND INDUSTRIAL REAL PROPERTY			ALL LAND			PERSONAL PROPERTY			MOTOR VEHICLE**			PERCENT	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST
	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT				
1994	70%	\$ 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	70%	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	70%	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	69%	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	69%	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	69%	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	73%	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	72%	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				
2002	70%	411,876,590	70%	79,082,060	13%	3,850,720	1%	28,549,730	5%	66,074,095	11%	589,433,195	3,696,830		585,736,365				
2003	71%	423,877,050	71%	68,463,490	11%	3,940,460	1%	30,133,670	5%	71,181,641	12%	597,596,311	3,522,073		594,074,238				

* Total after changes by Board of Tax Review.

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

TOYN 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 **
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	72.2%
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	71.8%
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	71.1%
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	71.3%
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	71.2%
1999	439,455,380	618,951,239	57,169,897	18,961,001	76,130,898	108,758,425	515,586,278	3,359,497	512,226,781	727,709,664	70.4%
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	73.0%
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	69.7%
2002	494,809,370	702,629,305	66,074,095	28,549,730	94,623,825	135,176,892	589,433,195	3,696,830	585,736,365	837,806,197	69.9%
2003	496,281,000	708,972,857	71,181,641	30,133,670	101,315,311	144,736,159	597,596,311	3,522,073	594,074,238	853,709,016	69.6%

* 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 8**TOWN OF MANSFIELD, CONNECTICUT**

PRINCIPAL TAXPAYERS
 GRAND LIST OCTOBER 1, 2003
 (UNAUDITED)

TAXPAYER	NATURE OF BUSINESS	ASSESSED VALUE OCTOBER 1, 2003	% OF TAXABLE GRAND LIST *
Connecticut Light & Power	Public Utility	\$ 8,543,130	1.44%
Colonial BT LLC	Colonial Apartments	4,861,203	0.82%
UCONN Co-op	Retail	4,285,940	0.72%
Mansfield-Eastbrook Dev Corp	Eastbrook Mall	4,039,980	0.68%
Glen Ridge Cooperative	Housing Co-op	3,973,410	0.67%
New Samaritan Corp	Medical Care Fac	3,932,950	0.66%
Campus Associates LP	Nathan Hale Inn	3,791,580	0.64%
Celeron Square Assoc	Apartments	3,645,880	0.61%
Orchard Acres Prop LLC	Apartments	2,453,990	0.41%
Big Y Foods Inc.	Personal Property	2,268,700	0.38%
TOTAL		\$ 41,796,763	7.03%

* Based on a Net Taxable Grand List for October 1, 2003 of \$594,074,238.

TOWN OF MANSEFIELD, CONNECTICUTSCHEDULE OF DEBT LIMITATION
JUNE 30, 2005
(UNAUDITED)

TOTAL TAX COLLECTIONS (including interest and lien fees) for the year ended June 30, 2005.....	\$ 18,380,231
REIMBURSEMENT FOR REVENUE LOSS: Tax relief for elderly freeze.....	<u>2,771</u>
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 18,383,002</u>

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 41,361,755	\$	\$	\$	\$
4 1/2 times base.....		82,723,509			
3 3/4 times base.....			68,936,258		
3 1/4 times base.....				59,744,757	
3 times base.....					55,149,006
TOTAL DEBT LIMITATION.....	<u>41,361,755</u>	<u>82,723,509</u>	<u>68,936,258</u>	<u>59,744,757</u>	<u>55,149,006</u>
INDEBTEDNESS:					
Bonds payable.....	2,775,000	2,025,000			
Town portion of Regional School District No. 19 bonds payable - net.....		3,517,451			
School building grants.....		(806,050)			
NET INDEBTEDNESS (1).....	<u>2,775,000</u>	<u>4,736,401</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....	<u>\$ 38,586,755</u>	<u>\$ 77,987,108</u>	<u>\$ 68,936,258</u>	<u>\$ 59,744,757</u>	<u>\$ 55,149,006</u>

(1) The total of the above net indebtedness amounts to: \$ 7,511,401

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 128,681,014

TOWN OF MANSFIELD, CONNECTICUTRATIO OF DEBT TO GRAND LIST AND
DEBT PER CAPITA
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30,	ESTIMATED POPULATION(1)	GRAND LIST (2)	GROSS DEBT - END OF YEAR	PERCENT DEBT TO ASSESSED VALUE	GROSS DEBT PER CAPITA
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
2004	25,000	585,736,365	5,780,000	0.99%	231
2005	25,200	594,074,238	4,800,000	0.81%	190

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

(2) The Grand List is as of October 1 of two years prior to year end (i.e., for 2004-05 the list is as of October 1, 2003).

TABLE 11**TOWN OF MANSFIELD, CONNECTICUT****PAYMENTS TO REGIONAL SCHOOL DISTRICT NO. 19
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30,	AMOUNT	PERCENT OF REGIONAL SCHOOL DISTRICT NO. 19 ASSESSMENT
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%
2004	7,429,902	55.48%
2005	7,728,080	54.12%

TABLE 12

TOWN OF MANSFIELD, CONNECTICUT

COMPUTATION OF DIRECT AND OVERLAPPING INDEBTEDNESS
JUNE 30, 2005
(UNAUDITED)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO MANSFIELD	MANSFIELD SHARE OF DEBT
Town of Mansfield	\$ 4,800,000	100.00%	\$ 4,800,000
Regional School District No. 19	6,876,737 *	51.15%	<u>3,517,451</u>
Total direct and overlapping indebtedness			8,317,451
Less: School building grants			<u>(806,050)</u>
Net Direct and Overlapping Indebtedness			<u>\$ 7,511,401</u>

* Debt is net of school grants receivable of approximately \$16,099,136 and includes \$25,000 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)**

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	GROSS DEBT SERVICE *	TOTAL GENERAL GOVERNMENT EXPENDITURES * *	PERCENT
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%
2004	1,065,000	284,440	1,349,440	32,522,045	4.15%
2005	980,000	261,507	1,241,507	34,702,002	3.58%

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

** Total General Fund expenditures includes other financing uses.

TABLE 14**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
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%
2004	4,000	4,000	100%
2005	4,400	4,400	100%

* Includes prepayments.

TOWN OF MANSFIELD, CONNECTICUT

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

YEAR ENDED JUNE 30,	(1) COMMERCIAL CONSTRUCTION		(1) RESIDENTIAL CONSTRUCTION		(2) BANK DEPOSITS (IN THOUSANDS)	(3) PROPERTY VALUES		
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
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
2004	42	3,641,543	395	13,316,089	378,955	99,672,544	903,623,131	754,810,968
2005	24	5,874,152	352	16,327,040	376,853	151,469,843	954,171,886	1,464,141,580

(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, 2005
 (UNAUDITED)

Incorporated:	1702		
Form of Government:	Council/Manager, Town Meeting		
Area:	45.1 square miles	Education:	
Miles of streets	104.82	Number of schools	4
		Number of certified staff (equivalent full-time)	143.7
Building permits (residential):		Student enrollment:	
Permits issued	352	Elementary	1,305
Estimated costs	\$16,327,040	High school	673
Fire protection:			
Number of stations	3		
Number of firemen:		Election:	
Volunteers	60	Registered voters	10,058
Equivalent full-time	20		
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 & open space preserves	13	2001-02 (estimate)	22,000
Acres of land	1,938	2002-03 (estimate)	23,700
Programs	894	2003-04 (estimate)	25,000
Participants	10,689	2004-05 (estimate)	25,200
Sanitary sewers:		Number of paid employees: (including schools)	
Miles of sewers	4.15	Equivalent full-time positions	395.1
Pump stations	1		

**Federal
Single
Audit**

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Passed through State Department of Administrative Services:			
Food Donation.....	10.550		\$ 39,391
Passed through State Department of Education:			
School Breakfast Program.....	10.553		17,058
National School Lunch Program.....	10.555		84,556
Special Milk Program for Children.....	10.556		1,042
Child and Adult Care Food Program.....	10.558		29,051
Direct Program:			
Rural Business Enterprise Grants.....	10.769		59,899
TOTAL U.S. DEPARTMENT OF AGRICULTURE.....			231,087
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
Passed through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program.....	14.228	2002-078-001-052-001A	156,931
Community Development Block Grants/State's Program.....	14.228	2002-078-002-052-001A	9,935
Community Development Block Grants/State's Program.....	14.228	2002-078-004-052-001A	95,206
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.....			262,072
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>			
Direct Program:			
Recreation Resource Management.....	15.225		2,460
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction.....	20.205		278,397
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants.....	20.601		6,900
TOTAL U.S. DEPARTMENT OF TRANSPORTATION.....			285,297
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY:</u>			
Passed through State Department of Environmental Protection:			
Surveys, Studies, Investigations and Special Purpose Grants	66.606	12060-20296-0000-2024-000	8,000

(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.S. DEPARTMENT OF EDUCATION:			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies.....	84.010	12060-20679-82070-2004-170002-SDE00005	\$ 2,000
Title I Grants to Local Educational Agencies.....	84.010	12060-20679-82070-2005-170002-SDE00005	142,256
Special Education - Grants to States.....	84.027	12060-20977-82032-2004-170002	500
Special Education - Grants to States.....	84.027	12060-20977-82032-2005-170002	231,733
Special Education - Preschool Grants.....	84.173	12060-20983-82032-2004-170002	5,599
Special Education - Preschool Grants.....	84.173	12060-20983-82032-2005-170002	15,244
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2003-170002	805
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2004-170002	5,936
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2005-170002	1,885
Innovative Education Program Strategies.....	84.298	12060-20909-84131-2003-170002	699
Innovative Education Program Strategies.....	84.298	12060-20909-84131-2004-170002	12,453
Innovative Education Program Strategies.....	84.298	12060-20909-84131-2005-170002	4,007
Education Technology State Grants.....	84.318	12060-20826-82079-2003-170003-SDE00005	238
Education Technology State Grants.....	84.318	12060-20826-82079-2005-170003-SDE00005	11,144
Education Technology State Grants.....	84.318	12060-20826-82079-2003-170003-SDE00006	7,970
Education Technology State Grants.....	84.318	12060-20826-82079-2004-170002	1,445
Improving Teacher Quality State Grants.....	84.367	12060-20858-84131-2004-170002	3,734
Improving Teacher Quality State Grants.....	84.367	12060-20858-84131-2005-170002	45,937
TOTAL U.S. DEPARTMENT OF EDUCATION.....			<u>493,585</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through State Department of Social Services:			
Social Services Block Grant.....	93.667		931
Passed through Northeast Communities Against Substance Abuse Inc.:			
Block Grants for Prevention and Treatment of Substance Abuse.....	93.959		<u>3,300</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.....			<u>4,231</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:			
Passed through State Office of Policy and Management:			
Public Assistance Grants.....	97.036		23,695
Passed through State Department of Military:			
Emergency Management Performance Grants.....	97.042		16,436
Assistance to Firefighters Grant.....	97.044		<u>162,582</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			<u>202,713</u>
TOTAL FEDERAL AWARDS.....			<u>\$ 1,489,445</u>

(Concluded)

TOWN OF MANSEFIELD, CONNECTICUT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

1. **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.

2. **NONCASH FEDERAL AWARDS**

The Town received and expended \$39,391 of USDA donated commodities under the Federal Food Distribution Program.

TOWN OF MANSELD, CONNECTICUT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

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, 2005

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>
14.228	Community Development Block Grants/State's Program
20.205	Highway Planning and Construction

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



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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, 2005, and have issued our report thereon dated November 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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 an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal controls over financial reporting, which we have reported to management in a separate letter dated November 16, 2005.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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
November 16, 2005



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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, 2005. 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, 2005.

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 reportable 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 caused by error or fraud 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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 16, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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
November 16, 2005

**State
Single
Audit**

TOWN OF MANSFIELD, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2005**

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM IDENTIFICATION NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>OFFICE OF POLICY AND MANAGEMENT:</u>			
Local Capital Improvement Program.....	12050-OPM20600-40254		\$ 170,159
Property Tax Relief for Elderly and Totally Disabled Homeowners.....	11000-OPM20600-17018		34,164
Property Tax Relief for Elderly Homeowners - Freeze Program.....	11000-OPM20600-17021		2,771
Property Tax Relief for Veterans.....	11000-OPM20600-17024		4,467
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles.....	11000-OPM20600-17031		8,274
<u>STATE DEPARTMENT OF EDUCATION:</u>			
Child Nutrition Program (School Lunch State Match).....	11000-SDE64000-16072	11000-16072-82051-2004-170005	6,106
Health Services.....	11000-SDE64000-17034	11000-17034-82010-2005-170006	13,600
School Breakfast.....	11000-SDE64000-17046	11000-17046-82057-2005	3,000
School Breakfast.....	11000-SDE64000-17046	11000-17046-82058-2005	376
Youth Services Bureau.....	11000-SDE64000-17052	11000-17052-82079-2005-170002	16,295
<u>STATE DEPARTMENT OF TRANSPORTATION:</u>			
Town Aid Road Grants Transportation Fund.....	12001-DOT57000-17036		115,124
<u>CONNECTICUT STATE LIBRARY:</u>			
State Grants to Public Libraries.....	11000-CSL66051-17003		2,538
Connecticard.....	11000-CSL66051-17010		12,261
Historical Preservation Grant.....	12060-CSL66091-35150		7,000
<u>STATE DEPARTMENT OF SOCIAL SERVICES:</u>			
Child Day Care (CDC).....	11000-DSS60000-17022		222,281
<u>STATE DEPARTMENT OF ENVIRONMENTAL PROTECTION:</u>			
Landfill Closure Grant.....	55050-12052-43930-63011-40518		191,819
<u>OFFICE OF THE STATE COMPTROLLER:</u>			
Payment in Lieu of Taxes (PILOT) on State-Owned Property.....	11000-OSC15910-17004		6,343,658
Boat Grant.....	12027-OSC15910-40211		2,503
Mashantucket Pequot/Mohegan Fund.....	12009-OSC15910-17005		1,339,206
<u>STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:</u>			
Payment in Lieu of Taxes (PILOT).....	11000-ECD46400-17012-039		18,581
Small Town Economic Assistance Program (STEAP).....	12052-ECD46000-42411-075		58,991
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....			<u>8,573,174</u>
<u>EXEMPT PROGRAMS:</u>			
<u>STATE DEPARTMENT OF EDUCATION:</u>			
Public School Transportation.....	11000-SDE64000-17027	11000-17027-82010-2005-170005	239,570
Education Cost Sharing.....	11000-SDE64000-17041	11000-17041-82010-2005-170002	8,522,648
Special Education - Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82016-2005	7,567
School Construction Projects - Principal.....	13010-SDE64000-40901	13010-40901-82003-2005-170001	296,025
School Construction Projects - Interest.....	13009-SDE64000-40896	13009-40896-82004-2005-170063	70,362
TOTAL EXEMPT PROGRAMS.....			<u>9,136,172</u>
TOTAL STATE FINANCIAL ASSISTANCE.....			<u>\$ 17,709,346</u>

See note to Schedule of Expenditures of State Financial Assistance

TOWN OF MANSFIELD, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2005

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, 2005**

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, 2004

I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

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

State Financial Assistance

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

Any audit findings disclosed that are required
to be reported in accordance with
Section 4-236-24 of the
Regulations to the State Single Audit Act? yes x no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
OFFICE OF POLICY AND MANAGEMENT: Local Capital Improvement Program.....	12050-OPM20600-40254	\$ 170,159
DEPARTMENT OF TRANSPORTATION: Town Aid Road Grants Transportation Fund.....	12001-DOT57000-17036	115,124
DEPARTMENT OF SOCIAL SERVICES: Child Day Care (CDC).....	11000-DSS60000-17022	222,281
DEPARTMENT OF ENVIRONMENTAL PROTECTION: Landfill Closure Grant	555050-12052-43930-63011-40518	191,819
OFFICE OF THE STATE COMPTRROLLER: Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	6,343,658
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	1,339,206

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

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

- We issued our report dated November 16, 2005, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no reportable conditions.

III. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE

- No findings or questioned costs are reported relating to State Financial Assistance Programs.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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, 2005, and have issued our report thereon dated November 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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 an opinion on the internal control. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal controls over financial reporting, which we have reported to management in a separate letter dated November 16, 2005.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Town Council, the Office of Policy and Management, 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
November 16, 2005



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**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, 2005. 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, 2005.

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
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 reportable 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 caused by error or fraud 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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2005, and have issued our report thereon dated November 16, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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, the Office of Policy and Management, 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
November 16, 2005