

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**of the**

**TOWN OF MANSFIELD,  
CONNECTICUT**

**FOR THE YEAR ENDED**

**JUNE 30, 2007**

**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, 2007  
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# Introductory Section

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



JEFFREY H. SMITH, Director of Finance

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FOUR SOUTH EAGLEVILLE ROAD  
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December 21, 2007

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, 2007.

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, 2007, 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, 2007, 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 almost 4,500 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 renovated library building; 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 annual budget serves as the foundation for the Town's financial planning and control. It is the policy of the Town Council to ask the Town Manager to direct the preparation of the budget and to submit it to the Town Council for its tentative approval and for later public hearing and approval. The Town Manager is asked to confer with the various Town Department heads on budgetary needs, as well as to consider priorities that have been determined by the Council.

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.

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

## **Local Economy**

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, in FY 2006/07, our State PILOT payment (Payments-in-Lieu of Taxes) was \$23,266 more than the adopted budget and we received a one-time State Revenue Sharing payment of \$359,404. However, our Mohegan/Pequot grant (which funds our Capital Improvement program) was \$643,500 less than our adopted budget.

## **Long Term Financial Planning**

The Town prepares a five year expenditure and revenue forecast and a five year capital improvement plan. Both documents are designed to assist management and policy decision makers in guiding the Town.

## **Major Initiatives**

As part of the America Downtown Program sponsored by the National League of Cities, the Mansfield Town Council retained a national planning firm in 1999 to develop a strategy for the revitalization of downtown Mansfield's commercial areas. Since that initial step, the Mansfield Downtown Partnership, Inc. has been created as an independent, non-profit organization charged with coordinating the revitalization program. An 18-member Board of Directors has been established and has made the following progress: A concept master plan was prepared and presented to the community. The plan was completed in 2002. On May 28, 2002, the Town authorized the Partnership to serve as its municipal development agency. In June 2004, the Partnership named a firm to serve as the master developer. By November 2005, a major milestone occurred when all local approvals for the Center Municipal Development Plan were completed. In January 2006, the Plan was approved by the Connecticut Department of Economic and Community Development. In July 2006, the Mansfield Planning and Zoning Commission approved the first building, which will be constructed to accommodate some of the businesses in the Storrs commercial plaza. In June 2007, the Commission unanimously approved the Partnership's application to create a special design district for the project area. Construction for the first building is planned for late 2007.

### **Major Initiatives (continued)**

In May 2007, the Town selected a firm to facilitate the development of a strategic plan. The goal of a strategic plan is to identify a vision and goals and objectives for the organization and the community. It is a tool to help the organization be proactive in planning for the future. The Town Council appointed a steering committee to work with the facilitators to plan & conduct a series of workshops. Also known as Search Conferences, these workshops will allow the community to articulate its hopes, dreams and expectations for the future and to put plans in place to make them happen. The Town's strategic planning process is called "Mansfield 2020....A Unified Vision". The first 2-day search conference was held December 8 - 9, 2007. The second will be held in January 2008, along with two Vision Fairs (Open House).

### **Relevant Financial Policies**

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. There have not been any developments at the State level that impacted the current year financial statements.

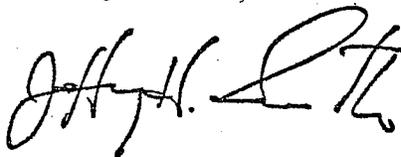
### **Awards and Acknowledgement**

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, 2006. 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.

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 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 five percent (5%) 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.
- It is Council policy that the practice of using fund balance as a source of financing future years operating budgets has an inherently destabilizing impact upon the operating budget. Therefore, any fund balance in excess of the five percent goal will be transferred to the CNR Fund and used 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

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Martin H. Berliner  
Town Manager

Matthew W. Hart  
Assistant Town Manager

Jeffrey H. Smith  
Director of Finance

Cheryl A. Trahan  
Controller/Treasurer

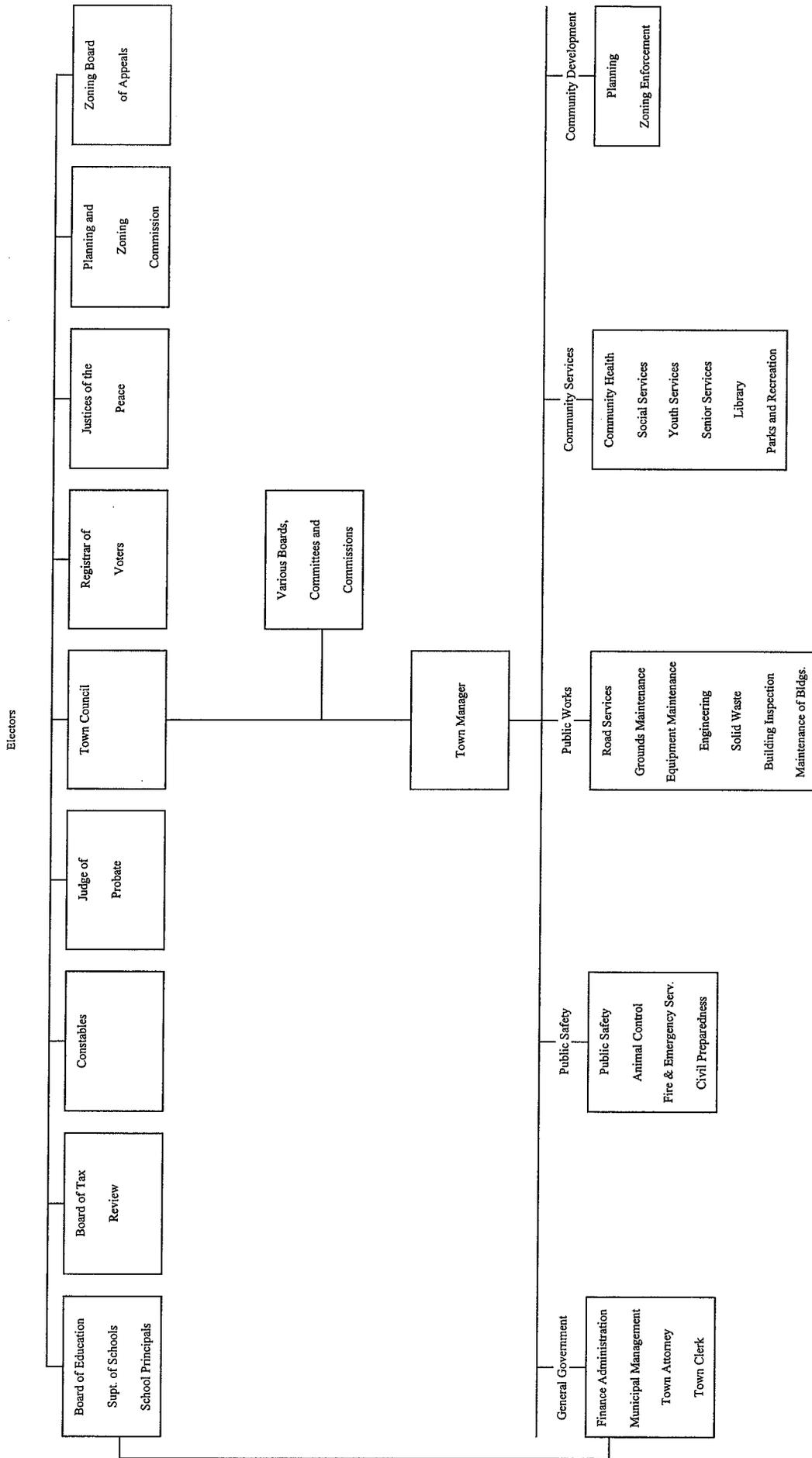
Irene La Pointe  
Assessor

Christine Gamache  
Collector of Revenue

Jo-Anne Roberts  
Information Technology Manager

**TOWN OF MANSEFIELD, 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, 2006

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.



President

Executive Director

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# Financial Section

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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, 2007, 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, 2007, 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 December 21, 2007, 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, 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 14 through 24 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.



Town of Mansfield, Connecticut  
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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  
December 21, 2007



**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, 2007**

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, 2007. 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 \$68,297,990 (*net assets*). Of this amount, \$3,133,661 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets decreased by \$270,264. This is due substantially to the net loss of the internal service funds offset by a decrease in retirement incentive liabilities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,559,907, a decrease of \$703,200 in comparison with the prior year. Approximately 78.5% of this total amount, \$2,794,030, 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 \$1,769,124 or 4.5% of total general fund expenditures.
- The Town's total long-term obligations decreased by \$1,395,162 during the current fiscal year. The key factors in this decrease were principal payments on bonded debt of \$805,000, an early retirement incentive decrease of \$270,167 and a \$337,415 decrease in accrued compensated absences.

**Overview of the Basic Financial Statements**

This discussion and analysis is 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### **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 13 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, capital projects fund, and compensated absences fund, all of which are considered to be major funds. Data from the other 9 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 \$69,297,990 at the close of the most recent fiscal year.

**TOWN OF MANSFIELD  
NET ASSETS  
JUNE 30, 2007 AND 2006**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets.....	\$ 9,772,428	\$ 11,724,342	\$ 574,752	\$ 605,994	\$ 10,347,180	\$ 12,330,336
Capital assets (net).....	67,692,847	67,556,163	832,081	817,198	68,524,928	68,373,361
<b>TOTAL ASSETS.....</b>	<b>77,465,275</b>	<b>79,280,505</b>	<b>1,406,833</b>	<b>1,423,192</b>	<b>78,872,108</b>	<b>80,703,697</b>
Long-term liabilities outstanding.....	5,941,208	7,336,370	124,924	152,917	6,066,132	7,489,287
Other liabilities.....	3,394,538	3,529,511	113,448	116,645	3,507,986	3,646,156
<b>TOTAL LIABILITIES.....</b>	<b>9,335,746</b>	<b>10,865,881</b>	<b>238,372</b>	<b>269,562</b>	<b>9,574,118</b>	<b>11,135,443</b>
Net assets:						
Invested in capital assets, net of related debt.....	64,693,077	63,774,998	832,081	817,198	65,525,158	64,592,196
Restricted.....	639,171	516,156			639,171	516,156
Unrestricted.....	2,797,281	4,123,470	336,380	336,432	3,133,661	4,459,902
<b>TOTAL NET ASSETS.....</b>	<b>\$ 68,129,529</b>	<b>\$ 68,414,624</b>	<b>\$ 1,168,461</b>	<b>\$ 1,153,630</b>	<b>\$ 69,297,990</b>	<b>\$ 69,568,254</b>

By far the largest portion of the Town's net assets (94.6%) 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 (0.9 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$3,133,661) 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 decreased by \$270,264 during the current fiscal year. This is due to substantially to the net loss of the internal service funds offset by a decrease in retirement incentive liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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**Governmental activities.** Governmental activities decreased the Town's net assets by \$285,095. The business-type activities increased net assets by \$14,831, essentially a break even year operationally.

### Revenues

Governmental activities revenues totaled \$46,411,941 for fiscal year 2007. Property taxes are the largest revenue source for the Town and represent 44.3% of governmental revenues. Current tax collections were 98.49% 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 24.5% of governmental revenues for the year. Grants and contributions not restricted to specific programs account for 18.7% of governmental revenues and include property tax related grants.

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

- Capital grants and contributions increased by \$222,819 primarily due to an increase in funding for the downtown revitalization project and for an open space purchase.
- Property taxes increased by \$1,138,717 due to an increase in the cost of services, particularly in the area of education.
- Grants and contributions not restricted to specific programs decreased by \$579,551 primarily due to a large decrease in the Mashantucket/Pequot grant, offset by a one-time State Revenue Sharing grant.

### Expenses

Governmental expenses totaled \$46,697,036 for the fiscal year. Of the expenses, \$30,724,185 or 65.8% is related to education. Public works expenses amounted to \$4,998,186 or 10.7%. Community services expenses were \$4,719,147 or 10.1%, public safety expenses were \$3,042,626 or 6.5% and general government expenses were \$2,457,128 or 5.3%.

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

- Education increased by \$1,720,273 due to an increase in the cost of salaries and benefits, and outside services for special education (i.e., occupational & physical therapists and psychologists).
- Public Works increased by \$663,184 due to an increase in the cost of salaries and benefits, and an increase in capital outlay, including the purchase of a new dump truck.

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  
JUNE 30, 2007**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>REVENUES:</b>						
Program revenues:						
Charges for services.....	\$ 3,788,936	\$ 3,739,805	\$ 1,215,103	\$ 1,134,101	\$ 5,004,039	\$ 4,873,906
Operating grants and contributions.....	11,415,580	11,352,684			11,415,580	11,352,684
Capital grants and contributions.....	1,025,360	844,541			1,025,360	844,541
General revenues:						
Property taxes.....	20,560,377	19,421,660			20,560,377	19,421,660
Grants and contributions not restricted to specific programs.....	8,665,335	9,244,886			8,665,335	9,244,886
Investment income.....	772,761	571,794			772,761	571,794
Miscellaneous.....	183,592	140,750	3,250	2,325	186,842	143,075
<b>TOTAL REVENUES.....</b>	<b>46,411,941</b>	<b>45,316,120</b>	<b>1,218,353</b>	<b>1,136,426</b>	<b>47,630,294</b>	<b>46,452,546</b>
<b>EXPENSES</b>						
General government.....	2,457,128	2,536,868			2,457,128	2,536,868
Public safety.....	3,042,626	2,838,970			3,042,626	2,838,970
Public works.....	4,998,186	4,335,002			4,998,186	4,335,002
Community services.....	4,719,147	4,465,428			4,719,147	4,465,428
Community development.....	558,720	454,273			558,720	454,273
Education.....	30,724,185	29,003,912			30,724,185	29,003,912
Interest expense.....	197,044	236,932			197,044	236,932
Sewer department.....			213,732	162,587	213,732	162,587
Transfer station.....			989,790	992,637	989,790	992,637
<b>TOTAL EXPENSES.....</b>	<b>46,697,036</b>	<b>43,871,385</b>	<b>1,203,522</b>	<b>1,155,224</b>	<b>47,900,558</b>	<b>45,026,609</b>
<b>INCREASE (DECREASE) IN NET ASSETS...</b>	<b>(285,095)</b>	<b>1,444,735</b>	<b>14,831</b>	<b>(18,798)</b>	<b>(270,264)</b>	<b>1,425,937</b>
<b>NET ASSETS - JULY 1.....</b>	<b>68,414,624</b>	<b>66,969,889</b>	<b>1,153,630</b>	<b>1,172,428</b>	<b>69,568,254</b>	<b>68,142,317</b>
<b>NET ASSETS - JUNE 30.....</b>	<b>\$ 68,129,529</b>	<b>\$ 68,414,624</b>	<b>\$ 1,168,461</b>	<b>\$ 1,153,630</b>	<b>\$ 69,297,990</b>	<b>\$ 69,568,254</b>

**Business-type activities.** Business-type activities increased the Town's net assets by \$14,831. General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1,218,353 in total business-type revenues, over 99.7% came from charges for services. Miscellaneous revenues make up the remaining revenue and are less than 1% of the Town's business-type activities

The sewer department expenses were \$213,732 in the fiscal year ended June 30, 2007, and the transfer station expenses were \$989,790. Expenses for both funds were level with the prior year. The sewer fund minor increase in expenses was substantially due to additional supplies and services purchased during the year.

**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 \$3,559,907, a decrease of \$703,200 in comparison with the prior year. Approximately 78.5% of this total amount (\$2,794,030) 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 (\$126,765), 2) to pay debt service (\$59), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$344,492), 4) to pay contract commitments (\$292,651), or 5) for permanently restricted endowments (\$1,910).

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,769,124, while total fund balance reached \$1,895,889. 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 4.9% of that same amount.

The fund balance of the Town's general fund increased by \$162,260 during the current fiscal year. The increase was attributable to PILOT payment for State property in excess of budget by \$23,266; investment income in excess of budget by \$52,299; and a budgeted transfer out to the Capital Nonrecurring Fund that was not made.

**Mansfield Discretionary Fund** had \$105,353 in revenues for the year and \$169,792 in expenses for a net decrease in fund balance of \$64,439. Expenditures exceed revenues due to prior year program revenues expended in the current year.

**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 \$122,293 for the fiscal year. This is a result of various projects funded in prior years.

**Compensated Absences Fund** had \$13,359 of investment income during the year and \$398,616 of expenditures for payment of compensated absence balances. The Town converted employees to a short term disability plan during the year. The deficit fund balance created by this one time event will be funded from general fund transfers in future budget years.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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**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 \$384,968 for the Sewer Operating fund, (\$48,588) for the Solid Waste Disposal fund, and \$923,652 for the Internal Service funds. The total increase (decrease) in net assets for the funds was \$(16,731) for the Sewer Operating fund, \$31,562 for the Solid Waste Disposal Fund, and \$(509,476) 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.

### **General Fund Budgetary Highlights**

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

- \$102,360 in increases allocated to the public works department for road service personnel and increased building maintenance costs for personnel, building repairs and energy.
- \$169,292 in decreases allocated to Town-wide expenditures primarily for the use of contingency funds allocated to other line items.

During the year, revenues and other financing sources were more than budgetary estimates by \$87,683; expenditures were less than budgetary estimates by \$19,748. Both revenues and expenditures were right on budget.

### **Capital Assets and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts \$68,524,928 (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 net increase in the Town's investment in capital assets for the current fiscal year was \$151,567 and consisted of an increase of \$136,684 for governmental activities and an increase of \$14,883 for business-type activities. Capital asset additions for the year of \$2,165,239 were offset by depreciation for the year in the amount of \$1,992,586.

Major capital asset purchases were as follows:

- \$353,000 for the addition of two roads – Jackson Lane and Jonathan Lane
- \$210,266 for office equipment, primarily copiers, mailing equipment
- \$233,764 for rolling stock, vehicles
- \$1,250,539 of construction in progress was added during year for various school renovation projects, downtown project, various bridge projects, and the bike path project.

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

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land.....	\$ 4,151,772	\$ 4,151,772	\$ 74,798	\$ 74,798	\$ 4,226,570	\$ 4,226,570
Construction in progress.....	4,644,352	3,393,813	69,007		4,713,359	3,393,813
Land improvements.....	901,431	927,319			901,431	927,319
Buildings.....	21,772,331	22,580,765	30,076	38,619	21,802,407	22,619,384
Improvements other than buildings...	199,526	214,314			199,526	214,314
Machinery and equipment.....	1,240,290	1,296,159	105,290	127,035	1,345,580	1,423,194
Vehicles.....	1,331,102	1,298,216			1,331,102	1,298,216
Infrastructure.....	33,452,043	33,693,805			33,452,043	33,693,805
Pump station.....			121,194	124,085	121,194	124,085
Sewer distribution system.....			431,716	452,661	431,716	452,661
<b>TOTAL.....</b>	<b>\$67,692,847</b>	<b>\$67,556,163</b>	<b>\$832,081</b>	<b>\$817,198</b>	<b>\$68,524,928</b>	<b>\$68,373,361</b>

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$3,165,000. 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>2007</u>	<u>2006</u>
General Obligation Bonds - Town	\$ 2,155,000	\$ 2,460,000
General Obligation Bonds - School	1,010,000	1,510,000
<b>TOTAL</b>	<b>\$ 3,165,000</b>	<b>\$ 3,970,000</b>

The Town's outstanding debt decreased \$805,000 due to scheduled principal payments.

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 \$142,741,830, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

**2007 Monthly**

<b><u>Yearly Average</u></b>	<b><u>Town of Ashford</u></b>	<b><u>Town of Mansfield</u></b>	<b><u>Town of Willington</u></b>	<b><u>Hartford Labor Market</u></b>	<b><u>State of Connecticut</u></b>	<b><u>United States</u></b>
2002	3.5%	2.1%	2.9%	4.5%	4.3%	5.8%
2003	4.6	2.5	4.1	5.9	5.5	6.0
2004	3.7	3.4	3.7	5.2	4.9	5.5
2005	4.0	3.9	3.8	5.1	4.9	5.1
2006	3.7	3.8	3.1	4.4	4.3	4.5
January	4.3	4.2	3.3	5.2	5.0	4.6
February	4.4	3.8	3.5	4.9	4.7	4.5
March	4.0	3.3	3.1	4.5	4.3	4.4
April	3.8	3.7	2.9	4.3	4.1	4.5
May	3.8	4.0	3.2	4.5	4.4	4.5
June	4.4	4.4	3.6	4.7	4.6	4.5

The above factors were considered in preparing the Town's budget for the 2008 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.

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# Basic Financial Statements

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**TOWN OF MANSFIELD, CONNECTICUT**

STATEMENT OF NET ASSETS  
JUNE 30, 2007

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	UNIT MANSFIELD DISCOVERY DEPOT, INC.
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash.....	\$ 126,983	\$	\$ 126,983	\$ 200
Investments.....	6,874,668	455,860	7,330,528	296,800
<b>Receivables:</b>				
Property taxes.....	342,980		342,980	
Intergovernmental.....	307,329		307,329	
Loans.....	48,813		48,813	
Other.....	334,800	118,892	453,692	
Other assets.....	43,132		43,132	
Bond issue costs.....	6,185		6,185	
<b>Total current assets.....</b>	<b>8,084,890</b>	<b>574,752</b>	<b>8,659,642</b>	<b>297,000</b>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
<b>Temporarily restricted:</b>				
Investments.....	59		59	
<b>Permanently restricted:</b>				
Investments.....	351,723		351,723	
<b>Total restricted assets.....</b>	<b>351,782</b>	<b>-</b>	<b>351,782</b>	<b>-</b>
<b>Receivables (net):</b>				
Property taxes.....	285,990		285,990	
Intergovernmental.....	105,219		105,219	
Loans.....	907,442		907,442	
<b>Total receivables (net).....</b>	<b>1,298,651</b>	<b>-</b>	<b>1,298,651</b>	<b>-</b>
<b>Other noncurrent assets:</b>				
Bond issue costs.....	37,105		37,105	
<b>Capital assets (net of accumulated depreciation):</b>				
Land.....	4,151,772	74,798	4,226,570	
Construction in progress.....	4,644,352	69,007	4,713,359	
Land improvements.....	901,431		901,431	
Buildings.....	21,772,331	30,076	21,802,407	
Improvements other than buildings.....	199,526		199,526	
Machinery and equipment.....	1,240,290	105,290	1,345,580	
Vehicles.....	1,331,102		1,331,102	
Infrastructure.....	33,452,043		33,452,043	
Pump station.....		121,194	121,194	
Sewer distribution system.....		431,716	431,716	
<b>Total Capital assets (net of accumulated depreciation).....</b>	<b>67,692,847</b>	<b>832,081</b>	<b>68,524,928</b>	<b>-</b>
<b>Total noncurrent assets.....</b>	<b>69,380,385</b>	<b>832,081</b>	<b>70,212,466</b>	<b>-</b>
<b>TOTAL ASSETS.....</b>	<b>77,465,275</b>	<b>1,406,833</b>	<b>78,872,108</b>	<b>297,000</b>

(Continued)

**TOWN OF MANSFIELD, CONNECTICUT**

STATEMENT OF NET ASSETS  
JUNE 30, 2007

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	UNIT MANSFIELD DISCOVERY DEPOT, INC.
<b><u>LIABILITIES</u></b>				
<b>Current liabilities:</b>				
Cash overdraft.....	\$ 586,473	\$	\$ 586,473	\$
Accounts payable.....	1,185,160	113,448	1,298,608	5,544
Accrued liabilities.....	1,300,702		1,300,702	11,469
Accrued interest payable.....	18,621		18,621	
Unearned revenue.....	303,582		303,582	
Bonds and related liabilities.....	660,000		660,000	
Compensated absences.....	127,836	3,231	131,067	
Retirement benefit.....	322,409		322,409	
Landfill closure/postclosure.....		4,000	4,000	
<b>Total current liabilities.....</b>	<b>4,504,783</b>	<b>120,679</b>	<b>4,625,462</b>	<b>17,013</b>
<b>Noncurrent liabilities:</b>				
Bonds and related liabilities.....	2,383,060		2,383,060	
Compensated absences.....	511,346	9,693	521,039	
Retirement benefit.....	1,936,557		1,936,557	
Landfill closure/postclosure.....		108,000	108,000	
<b>Total Noncurrent liabilities.....</b>	<b>4,830,963</b>	<b>117,693</b>	<b>4,948,656</b>	<b>-</b>
<b>TOTAL LIABILITIES.....</b>	<b>9,335,746</b>	<b>238,372</b>	<b>9,574,118</b>	<b>17,013</b>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt.....	64,693,077	832,081	65,525,158	
<b>Restricted for:</b>				
Capital projects.....	292,651		292,651	
<b>Perpetual care:</b>				
Nonexpendable.....	344,492		344,492	
<b>Endowments:</b>				
Nonexpendable.....	1,910		1,910	
Expendable.....	59		59	
Debt service.....	59		59	
Unrestricted.....	2,797,281	336,380	3,133,661	279,987
<b>TOTAL NET ASSETS.....</b>	<b>\$ 68,129,529</b>	<b>\$ 1,168,461</b>	<b>\$ 69,297,990</b>	<b>\$ 279,987</b>

(Concluded)

**EXHIBIT B**

**TOWN OF MANSFIELD, CONNECTICUT**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS			COMPONENT UNIT	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			MANSFIELD DISCOVERY DEPOT, INC.
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		
<b>GOVERNMENTAL ACTIVITIES:</b>								
General government.....	\$ 2,457,128	\$ 490,052	\$ 28,394	\$ 271,185	\$ (1,667,497)	\$ (1,667,497)	\$	
Public safety.....	3,042,626	59,531	89,533	1,326	(2,892,236)	(2,892,236)		
Public works.....	4,998,186	675,113	302,523	752,849	(3,267,701)	(3,267,701)		
Community services.....	4,719,147	1,855,651	72,679		(2,790,817)	(2,790,817)		
Community development.....	558,720	32,059			(526,661)	(526,661)		
Education.....	30,724,185	676,530	10,922,451		(19,125,204)	(19,125,204)		
Interest expense.....	197,044				(197,044)	(197,044)		
<b>TOTAL GOVERNMENTAL ACTIVITIES.....</b>	<b>46,697,036</b>	<b>3,788,936</b>	<b>11,415,580</b>	<b>1,025,360</b>	<b>(30,467,160)</b>	<b>(30,467,160)</b>	<b>-</b>	
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Sewer Department.....	213,732	196,000			(17,732)	(17,732)		
Transfer Station.....	989,790	1,019,103			29,313	29,313		
<b>TOTAL BUSINESS-TYPE ACTIVITIES.....</b>	<b>1,203,522</b>	<b>1,215,103</b>	<b>-</b>	<b>-</b>	<b>11,581</b>	<b>11,581</b>	<b>-</b>	
<b>TOTAL PRIMARY GOVERNMENT.....</b>	<b>\$ 47,900,558</b>	<b>\$ 5,004,039</b>	<b>\$ 11,415,580</b>	<b>\$ 1,025,360</b>	<b>\$ (30,467,160)</b>	<b>\$ (30,455,579)</b>	<b>\$ -</b>	
<b>COMPONENT UNIT:</b>								
Mansfield Discovery Depot, Inc.....	\$ 1,124,874	\$ 881,618	\$ 284,227				\$ 40,971	
<b>GENERAL REVENUES:</b>								
Property taxes.....					\$ 20,560,377	\$ 20,560,377	\$	
Grants and contributions not restricted to specific programs.....					8,665,335	8,665,335		
Investment income.....					772,761	772,761		
Miscellaneous.....					183,592	186,842		
<b>TOTAL GENERAL REVENUES.....</b>					<b>30,182,065</b>	<b>30,185,315</b>	<b>-</b>	
<b>CHANGE IN NET ASSETS.....</b>					<b>(285,095)</b>	<b>(270,264)</b>	<b>40,971</b>	
<b>NET ASSETS - JULY 1, 2006.....</b>					<b>68,414,624</b>	<b>1,153,630</b>	<b>239,016</b>	
<b>NET ASSETS - JUNE 30, 2007.....</b>					<b>\$ 68,129,529</b>	<b>\$ 1,168,461</b>	<b>\$ 279,987</b>	

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

TOWN OF MANFIELD, CONNECTICUT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

	GENERAL	MANSFIELD DISCRETIONARY FUND	CAPITAL PROJECTS	COMPENSATED ABSENCES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash.....	\$ 126,383				\$ 600	\$ 126,983
Investments.....	3,365,660	80,531	1,291,185	178,859	585,629	5,501,864
Restricted Investments.....					351,782	351,782
Receivables:						
Property taxes.....	505,866					505,866
Sewer assessments.....					18,100	18,100
Intergovernmental.....			92,435		34,101	126,536
Loans.....		975,780				975,780
Other.....	50,888	6,218	107,481		22,745	187,332
Due from other funds.....	781,722					781,722
Other.....					13,571	13,571
<b>TOTAL ASSETS.....</b>	<b>\$ 4,830,519</b>	<b>\$ 1,062,529</b>	<b>\$ 1,491,101</b>	<b>\$ 178,859</b>	<b>\$ 1,026,528</b>	<b>\$ 8,589,536</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Cash overdraft.....	\$ 586,473					\$ 586,473
Accounts and other payables.....	567,090		132,200		67,322	766,612
Accrued liabilities.....	774,412					774,412
Due to other funds.....	458,490		1,803	619,315	20,771	1,100,379
Unearned revenue.....	548,165	975,780	98,000		179,808	1,801,753
<b>TOTAL LIABILITIES.....</b>	<b>2,934,630</b>	<b>975,780</b>	<b>232,003</b>	<b>619,315</b>	<b>267,901</b>	<b>5,029,629</b>
<b>FUND BALANCES:</b>						
Reserved for:						
Encumbrances.....	126,765					126,765
Commitments.....			292,651			292,651
Debt service.....					59	59
Perpetual care.....					344,492	344,492
Permanent funds.....					1,910	1,910
Unreserved, reported in:						
General fund.....	1,769,124	86,749			412,107	1,769,124
Special revenue funds.....						498,856
Capital projects funds.....			966,447			966,447
Debt service funds.....						(440,456)
Permanent funds.....					59	59
<b>TOTAL FUND BALANCES.....</b>	<b>1,895,889</b>	<b>86,749</b>	<b>1,259,098</b>	<b>(440,456)</b>	<b>758,627</b>	<b>3,559,907</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 4,830,519</b>	<b>\$ 1,062,529</b>	<b>\$ 1,491,101</b>	<b>\$ 178,859</b>	<b>\$ 1,026,528</b>	<b>\$ 8,589,536</b>

(Continued)

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

**TOWN OF MANSFIELD, CONNECTICUT**

RECONCILIATION OF FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2007

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).....	\$	3,559,907
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets.....		67,556,163
Capital assets additions.....		2,096,232
Depreciation expense.....		(1,938,462)
Disposal of assets.....		(21,086)

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.....		192,088
Property tax, sewer assessment and community development block grant loan receivable - accrual basis change.....		1,480,071
School building grant receivable.....		286,012
Allowance for doubtful accounts.....		(88,509)
Bond issue costs.....		43,290

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.....		2,164,208
Less net capital assets reported above.....		(1,240,556)

SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds.....		(3,165,000)
Deferred charge on refunding.....		130,532
Bond premium.....		(8,592)
Compensated absences.....		(639,182)
Retirement benefit.....		(2,258,966)
Accrued interest payable.....		(18,621)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>68,129,529</u>
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(Concluded)

**EXHIBIT D**

**TOWN OF MANSEFIELD, CONNECTICUT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	GENERAL	MANSFIELD DISCRETIONARY FUND	CAPITAL PROJECTS	COMPENSATED ABSENCES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
Property taxes.....	\$ 20,551,473	\$	\$	\$	\$	\$ 20,551,473
Intergovernmental.....	17,608,330		714,360		2,594,094	20,916,784
Investment income.....	552,299	8,855		13,359	126,331	700,844
Charges for services.....	1,024,246	96,498	8,200		2,724,728	3,853,672
Contributions.....			99,369		84,084	183,453
Other local revenues.....	2,520				78,521	81,041
<b>TOTAL REVENUES.....</b>	<b>39,738,868</b>	<b>105,353</b>	<b>821,929</b>	<b>13,359</b>	<b>5,607,758</b>	<b>46,287,267</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government.....	1,378,839			398,616	52,797	1,830,252
Public safety.....	2,516,977				44,473	2,561,450
Public works.....	2,763,637				133,116	2,896,753
Community services.....	1,605,045				2,199,185	3,804,230
Community development.....	292,526	169,792				462,318
Townwide expenditures.....	2,124,445				2,124,445	2,124,445
Education.....	28,212,264		2,152,606		1,779,667	29,991,931
Capital outlay.....					981,482	2,152,606
Debt service.....						981,482
<b>TOTAL EXPENDITURES.....</b>	<b>38,893,733</b>	<b>169,792</b>	<b>2,152,606</b>	<b>398,616</b>	<b>5,190,720</b>	<b>46,805,467</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>845,135</b>	<b>(64,439)</b>	<b>(1,330,677)</b>	<b>(385,257)</b>	<b>417,038</b>	<b>(518,200)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in.....	2,500		1,208,384		851,546	2,062,430
Transfers out.....	(685,375)				(1,562,055)	(2,247,430)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(682,875)</b>	<b>-</b>	<b>1,208,384</b>	<b>-</b>	<b>(710,509)</b>	<b>(185,000)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>162,260</b>	<b>(64,439)</b>	<b>(122,293)</b>	<b>(385,257)</b>	<b>(293,471)</b>	<b>(703,200)</b>
<b>FUND BALANCES - JULY 1, 2006.....</b>	<b>1,733,629</b>	<b>151,188</b>	<b>1,381,391</b>	<b>(55,199)</b>	<b>1,052,098</b>	<b>4,263,107</b>
<b>FUND BALANCES - JUNE 30, 2007.....</b>	<b>\$ 1,895,889</b>	<b>\$ 86,749</b>	<b>\$ 1,259,098</b>	<b>\$ (440,456)</b>	<b>\$ 758,627</b>	<b>\$ 3,559,907</b>

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

**TOWN OF MANSFIELD, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

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)..... \$ (703,200)

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.....	2,096,232
Depreciation expense.....	(1,938,462)
Net increase in capital assets of internal service funds.....	<u>(198,329)</u>

Total ..... (40,559)

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.....	(295,462)
Increase in property tax and sewer assessment receivable - accrual basis change.....	(154,470)
Increase in property tax and sewer assessment interest and lien revenue.....	52,289
Increase in property tax and sewer assessment allowance for doubtful accounts.....	<u>(5,151)</u>

Total ..... (402,794)

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

Principal repayments:	
General obligation bonds.....	<u>805,000</u>

(Continued)

**TOWN OF MANSFIELD, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

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).....	\$ 337,415
Accrued interest payable.....	3,043
Retirement benefit (net).....	270,167
Amortization of bond premium.....	1,228
Amortization of bond issuance costs.....	(6,185)
Amortization of deferred charges.....	<u>(18,648)</u>
Total .....	<u>587,020</u>
Internal Service Funds are used by management to charge costs of insurances and management services to individual departments.....	<u>(581,393)</u>
The net revenue of the activities of the Internal Service Funds is reported with governmental activities.....	<u>71,917</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B).....	<u>\$ (285,095)</u>

(Concluded)

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

## TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Property taxes.....	\$ 20,489,370	\$ 20,489,370	\$ 20,551,473	\$ 62,103
Intergovernmental.....	16,740,160	16,740,160	16,794,325	54,165
Investment income.....	500,000	500,000	552,299	52,299
Charges for services.....	1,052,350	1,052,350	1,024,246	(28,104)
Other local revenues.....	5,300	5,300	2,520	(2,780)
<b>TOTAL REVENUES.....</b>	<b>38,787,180</b>	<b>38,787,180</b>	<b>38,924,863</b>	<b>137,683</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	1,362,270	1,383,974	1,383,974	-
Public safety.....	2,495,150	2,510,537	2,510,537	-
Public works.....	2,664,380	2,766,740	2,766,740	-
Community services.....	1,588,480	1,603,055	1,603,055	-
Community development.....	295,460	300,726	300,726	-
Townwide expenditures.....	2,308,350	2,139,058	2,123,555	15,503
Education.....	27,573,090	27,450,215	27,445,970	4,245
<b>TOTAL EXPENDITURES.....</b>	<b>38,287,180</b>	<b>38,154,305</b>	<b>38,134,557</b>	<b>19,748</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES.....</b>	<b>500,000</b>	<b>632,875</b>	<b>790,306</b>	<b>157,431</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....	52,500	52,500	2,500	(50,000)
Transfers out.....	(552,500)	(685,375)	(685,375)	-
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(500,000)</b>	<b>(632,875)</b>	<b>(682,875)</b>	<b>(50,000)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>107,431</b>	<b>\$ 107,431</b>
FUND BALANCE - JULY 1, 2006.....			1,661,693	
FUND BALANCE - JUNE 30, 2007.....			<u>\$ 1,769,124</u>	

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

TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
<u>ASSETS</u>				
Current assets:				
Investments.....	\$ 365,360	\$ 90,500	\$ 455,860	\$ 1,372,804
Accounts receivable.....	69,567	49,325	118,892	147,468
Due from other funds.....			-	19,023
Other.....			-	29,561
Total current assets.....	434,927	139,825	574,752	1,568,856
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....	66,298	8,500	74,798	145,649
Construction in progress.....	69,007		69,007	204,326
Land improvements.....			-	241,282
Buildings.....		30,076	30,076	136,380
Equipment.....		105,290	105,290	512,919
Pump station.....	121,194		121,194	
Sewer distribution system.....	431,716		431,716	
Total capital assets (net of accumulated depreciation).....	688,215	143,866	832,081	1,240,556
TOTAL ASSETS.....	1,123,142	283,691	1,406,833	2,809,412
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	49,959	63,489	113,448	39,705
Accrued claims payable.....			-	526,290
Due to other funds.....			-	79,209
Landfill post closure liability.....		4,000	4,000	
Compensated absences.....		3,231	3,231	
Total current liabilities.....	49,959	70,720	120,679	645,204
Noncurrent liabilities:				
Landfill postclosure liability.....		108,000	108,000	
Compensated absences.....		9,693	9,693	
Total noncurrent liabilities.....	-	117,693	117,693	-
TOTAL LIABILITIES.....	49,959	188,413	238,372	645,204
<u>NET ASSETS</u>				
Invested in capital assets.....	688,215	143,866	832,081	1,240,556
Unrestricted.....	384,968	(48,588)	336,380	923,652
TOTAL NET ASSETS.....	\$ 1,073,183	\$ 95,278	\$ 1,168,461	\$ 2,164,208

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, 2007

	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.....	\$ 196,000	\$ -	\$ 196,000	\$ -
Garbage collection fees.....	-	828,818	828,818	-
Tipping fees.....	-	26,991	26,991	-
Transfer station fees.....	-	88,670	88,670	-
Sale of recyclables.....	-	74,624	74,624	-
Premiums.....	-	-	-	6,147,882
Charges for services.....	-	-	-	423,222
Sales.....	-	-	-	224,807
Rental income.....	-	-	-	180,564
Contributions.....	-	-	-	-
Other revenues.....	1,001	2,249	3,250	102,551
<b>TOTAL OPERATING REVENUES.....</b>	<b>197,001</b>	<b>1,021,352</b>	<b>1,218,353</b>	<b>7,079,026</b>
OPERATING EXPENSES:				
Wages and fringe benefits.....	-	242,050	242,050	216,327
Administration.....	-	-	-	637,175
Medical claims.....	-	-	-	5,479,427
Workers' compensation.....	-	-	-	382,747
Repairs & maintenance.....	-	-	-	365,326
Supplies, materials & rentals.....	-	-	-	322,947
Software & related communication costs.....	-	-	-	157,642
Utilities.....	-	-	-	118,810
Contract pickup.....	-	293,338	293,338	-
Sewer billings.....	133,279	-	133,279	-
Supplies and services.....	56,617	39,687	96,304	-
Dumping fees.....	-	384,427	384,427	-
Depreciation.....	23,836	30,288	54,124	165,018
<b>TOTAL OPERATING EXPENSES.....</b>	<b>213,732</b>	<b>989,790</b>	<b>1,203,522</b>	<b>7,845,419</b>
OPERATING INCOME (LOSS).....	(16,731)	31,562	14,831	(766,393)
NONOPERATING REVENUES:				
Investment income.....	-	-	-	71,917
<b>INCOME (LOSS) BEFORE TRANSFERS.....</b>	<b>(16,731)</b>	<b>31,562</b>	<b>14,831</b>	<b>(694,476)</b>
TRANSFERS IN.....	-	-	-	200,000
TRANSFERS OUT.....	-	-	-	(15,000)
<b>CHANGE IN NET ASSETS.....</b>	<b>(16,731)</b>	<b>31,562</b>	<b>14,831</b>	<b>(509,476)</b>
<b>TOTAL NET ASSETS - JULY 1, 2006.....</b>	<b>1,089,914</b>	<b>63,716</b>	<b>1,153,630</b>	<b>2,673,684</b>
<b>TOTAL NET ASSETS - JUNE 30, 2007.....</b>	<b>\$ 1,073,183</b>	<b>\$ 95,278</b>	<b>\$ 1,168,461</b>	<b>\$ 2,164,208</b>

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

## TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers.....	\$ 181,828	\$ 996,006	\$ 1,177,834	\$ 951,520
Premiums received.....			-	6,148,617
Payments to vendors.....	(158,209)	(756,336)	(914,545)	(1,714,392)
Payments for claims.....			-	(5,433,137)
Payments to employees.....		(266,043)	(266,043)	(216,327)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>23,619</b>	<b>(26,373)</b>	<b>(2,754)</b>	<b>(263,719)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds.....			-	185,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets.....	(69,007)		(69,007)	(363,347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income.....			-	71,917
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS...</b>	<b>(45,388)</b>	<b>(26,373)</b>	<b>(71,761)</b>	<b>(370,149)</b>
<b>CASH AND CASH EQUIVALENTS - JULY 1, 2006.....</b>	<b>410,748</b>	<b>116,873</b>	<b>527,621</b>	<b>1,742,953</b>
<b>CASH AND CASH EQUIVALENTS - JUNE 30, 2007.....</b>	<b>\$ 365,360</b>	<b>\$ 90,500</b>	<b>\$ 455,860</b>	<b>\$ 1,372,804</b>
<b>RECONCILIATION TO BALANCE SHEET CASH:</b>				
Cash and cash equivalents per above.....	\$ 365,360	\$ 90,500	\$ 455,860	\$ 1,372,804
Cash equivalents reported as investments.....	(365,360)	(90,500)	(455,860)	(1,372,804)
<b>BALANCE SHEET CASH.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (16,731)	\$ 31,562	\$ 14,831	\$ (766,393)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.....	23,836	30,288	54,124	165,018
(Increase) decrease in:				
Accounts receivable.....	(15,173)	(25,346)	(40,519)	21,111
Due from other funds.....			-	218,084
Other.....			-	(6,478)
Increase (decrease) in:				
Accounts payable.....	31,687	(34,884)	(3,197)	(16,669)
Accrued claims payable.....			-	46,290
Due to other funds.....			-	75,318
Compensated absences.....		(23,993)	(23,993)	
Landfill postclosure liability.....		(4,000)	(4,000)	
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>\$ 23,619</b>	<b>\$ (26,373)</b>	<b>\$ (2,754)</b>	<b>\$ (263,719)</b>

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, 2007

	POSTEMPLOYMENT HEALTHCARE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>		
CASH.....	\$	\$ 48,939
INVESTMENTS, AT FAIR VALUE:		
Pooled fixed income.....		607,424
Bond mutual funds.....	158,209	
Equity mutual funds.....	151,836	
TOTAL INVESTMENTS.....	310,045	607,424
ACCOUNTS RECEIVABLE.....		26,216
DUE FROM OTHER FUNDS.....		458,490
TOTAL ASSETS.....	310,045	1,141,069
<u>LIABILITIES</u>		
LIABILITIES:		
Accounts payable.....		1,140,716
Due to other funds.....	79,294	353
TOTAL LIABILITIES.....	79,294	1,141,069
<u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR POSTEMPLOYMENT HEALTHCARE PURPOSES.....	\$ 230,751	\$ -

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, 2007

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	POST- EMPLOYMENT HEALTHCARE TRUST FUND
<hr/>	
ADDITIONS:	
Contributions:	
Employer.....	\$      50,000
Investment income:	
Net appreciation in fair value of investments.....	<u>25,711</u>
TOTAL ADDITIONS.....	75,711
DEDUCTIONS:	
Benefits.....	<u>28,072</u>
CHANGE IN NET ASSETS.....	47,639
NET ASSETS - JULY 1, 2006.....	<u>183,112</u>
NET ASSETS - JUNE 30, 2007.....	<u><u>\$      230,751</u></u>

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, 2007

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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 Depot appoints its own board, of which two of the members are also members of the Town Council. Mansfield Discovery Depot, Inc. accounts for federal and state funds, local contributions and participants' fees for the operation of a child day care center.

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

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. 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 *Compensated Absences Fund* accounts for the accumulation of resources for, and the payment of, compensated absences.

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.

**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 enterprise 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)

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

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

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

Investments for the Town and the component unit are reported at fair value. State Treasurers 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 which operates under state statutes. 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 11 percent of outstanding receivable balances at June 30, 2007, 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 2004 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)

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**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.

**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.

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

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

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

- The Town legally adopts an annual budget for the General Fund and Capital Nonrecurring Special Revenue Fund. Formal budgetary integration is employed by the Town Council as a management control device during the year for the General Fund.

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 no additional appropriations made during the year.

- 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, 2007 .....	\$ 38,924,863	\$ 38,134,557	\$ 1,769,124
Encumbrances outstanding at June 30, 2006, liquidated during the year ended June 30, 2007 .....		71,936	
Encumbrances outstanding at June 30, 2007, charged to budgetary expenditures during the year ended June 30, 2007 .....		( 126,765)	126,765
Teachers' Retirement System on-behalf payment .....	814,005	814,005	
Balance - GAAP Basis Exhibit D - June 30, 2007 .....	<u>\$ 39,738,868</u>	<u>\$ 38,893,733</u>	<u>\$ 1,895,889</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 depreciation of \$7,599) is approved for expenditure by the individual Boards responsible for each fund.

**D. Capital Projects Authorizations**

The following is a summary of certain projects authorizations at June 30, 2007:

	<u>AUTHORIZATION</u>	<u>CURRENT YEAR EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2007</u>
Capital projects .....	\$ 28,406,704	\$ 2,060,124	\$ 20,152,832	\$ 8,253,872

**E. Deficit Fund Balances**

The following individual fund had a deficit fund balance at June 30, 2007:

Capital nonrecurring fund .....	\$ 5,817
Recreation program fund .....	101,536

The deficits should be reduced in future years as additional transfers are received from the general fund for the capital nonrecurring fund and future charges for services for the recreation program 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, 2007, \$289,666 of the Town's bank balance of \$440,899 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 250,699
Uninsured and collateral held by the pledging bank's Trust department, not in the Town's name.....	38,967
Total amount subject to custodial credit risk.....	\$ 289,666

2. Investments - At June 30, 2007, the Town's investments (including the component unit) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	N/A	LESS THAN 1	1-5	5-10
Mutual funds:					
Equity mutual funds.....	\$ 228,279	\$ 228,279	\$	\$	\$
Government bonds.....	456,535				456,535
Corporate bond mutual funds.....	66,396			6,803	59,593
Money market mutual funds.....	63,038		63,038		
Pooled fixed income.....	8,072,302		8,072,302		
U.S. treasury notes .....	10,029			10,029	
TOTAL.....	\$ 8,896,579	\$ 228,279	\$ 8,135,340	\$ 16,832	\$ 516,128

Component Unit

At June 30, 2007, \$296,800 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 subject to credit risk had average ratings by Standard & Poor's as follows:

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

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

2. Investments (Continued)

AVERAGE RATING	POOLED FIXED INCOME	MONEY MARKET MUTUAL FUNDS	CORPORATE BOND MUTUAL FUNDS	GOVERNMENT BOND MUTUAL FUNDS
AAA.....	\$ 8,072,302	\$ 56,770	\$	\$ 298,326
AA.....			18,556	
BAA.....			47,840	
Unrated/U.S. government.....		6,268		158,209
<b>TOTAL .....</b>	<b>\$ 8,072,302</b>	<b>\$ 63,038</b>	<b>\$ 66,396</b>	<b>\$ 456,535</b>

Component Unit

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

Primary Government and Component Unit

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 investments are subject to custodial credit risk as follows:

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S treasury notes.....	\$ 10,029	\$ 10,029	\$ -

**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:

	PROPERTY TAXES			CDBG LOANS
	TAXES	INTEREST & LIEN FEES	TOTAL	
Current Portion .....	\$ 218,410	\$ 124,570	\$ 342,980	\$ 48,813
Long-term Portion .....	\$ 287,456	\$ 67,518	\$ 354,974	\$ 926,967
Less Allowance for Uncollectibles .....	( 47,214)	( 21,770)	( 68,984)	( 19,525)
Net Long-term Portion .....	\$ 240,242	\$ 45,748	\$ 285,990	\$ 907,442

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) .....	\$ 394,291
Special assessments not yet due (special revenue fund) .....	18,100
Loan receivable not yet earned (special revenue fund) .....	975,780
Contributions receivable not yet earned (capital projects fund) .....	98,000
Contributions receivable not yet earned (special revenue fund) .....	12,000

UNEARNED REVENUE:

Advance tax collections (general fund) .....	153,874
Unearned revenue on park and recreation fees (special revenue fund) .....	146,988
Grant draw downs prior to meeting all eligibility requirements (special revenue fund) .....	2,720

TOTAL UNEARNED REVENUE FOR GOVERNMENTAL FUNDS ..... \$ 1,801,753

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2007 was as follows:

**Primary Government**

	BALANCE JULY 1, 2006	INCREASES	DECREASES	BALANCE JUNE 30, 2007
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets, not being Depreciated:</u></b>				
Land .....	\$ 4,151,772	\$	\$	\$ 4,151,772
Construction in progress .....	3,393,813	1,250,539		4,644,352
Total Capital Assets, not being Depreciated .....	7,545,585	1,250,539	-	8,796,124
<b><u>Capital Assets, being Depreciated:</u></b>				
Land improvements .....	1,046,646			1,046,646
Buildings .....	32,937,951	48,663		32,986,614
Improvements other than buildings .....	382,839			382,839
Machinery and equipment .....	3,663,335	210,266		3,873,601
Vehicles .....	2,688,397	233,764	25,615	2,896,546
Infrastructure .....	47,283,909	353,000		47,636,909
Total Capital Assets, being Depreciated .....	88,003,077	845,693	25,615	88,823,155
Total Capital Assets .....	95,548,662	2,096,232	25,615	97,619,279
<b><u>Less Accumulated Depreciation for:</u></b>				
Land improvements .....	119,327	25,888		145,215
Buildings .....	10,357,186	857,097		11,214,283
Improvements other than buildings .....	168,525	14,788		183,313
Machinery and equipment .....	2,367,176	266,135		2,633,311
Vehicles .....	1,390,181	179,792	4,529	1,565,444
Infrastructure .....	13,590,104	594,762		14,184,866
Total Accumulated Depreciation .....	27,992,499	1,938,462	4,529	29,926,432
Total Capital Assets, being Depreciated, net .....	60,010,578	(1,092,769)	21,086	58,896,723
Governmental Activities Capital Assets, net .....	\$ 67,556,163	\$ 157,770	\$ 21,086	\$ 67,692,847

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

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

	BALANCE JULY 1, 2006	INCREASES	DECREASES	BALANCE JUNE 30, 2007
<b>Business-Type Activities:</b>				
<u>Capital Assets, not being Depreciated:</u>				
Land .....	\$ 74,798	\$	\$	\$ 74,798
Construction in progress.....		69,007		69,007
Total Capital Assets, not being Depreciated.....	74,798	69,007	-	143,805
<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	69,007	-	1,998,490
<u>Less Accumulated Depreciation for:</u>				
Buildings.....	101,006	8,543		109,549
Equipment.....	274,197	21,745		295,942
Pump station .....	37,617	2,891		40,508
Sewer distribution system.....	699,465	20,945		720,410
Total Accumulated Depreciation .....	1,112,285	54,124	-	1,166,409
Total Capital Assets, being Depreciated, net .....	742,400	( 54,124)	-	688,276
Business-Type Activities Capital Assets, net.....	\$ 817,198	\$ 14,883	\$ -	\$ 832,081

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

<u>Governmental Activities:</u>	
General government .....	\$ 74,909
Public safety .....	23,889
Public works .....	818,250
Community services .....	303,914
Education.....	552,482
Capital assets held by Town's internal service funds are charged to the various functions based on their usage of the assets .....	165,018
Total Depreciation Expense - Governmental Activities.....	\$ 1,938,462
<u>Business-type Activities:</u>	
Sewer .....	\$ 23,836
Solid waste.....	30,288
Total Depreciation Expense - Business-Type Activities.....	\$ 54,124

**Construction Commitments**

The Town has active construction projects as of June 30, 2007. 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.....	\$ 292,651

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, 2007 is as follows:

<u>MAJOR FUND:</u>	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<b>GENERAL FUND:</b>			
Performance bonds.....	N/A	\$ 79,294	\$ 458,490
Postemployment healthcare trust.....	N/A	5,817	
Capital nonrecurring fund .....	N/A	619,315	
Compensated absences fund.....	N/A	75,700	
Health insurance.....	N/A	1,596	
Workers' compensation insurance .....	N/A		
<b>TOTAL GENERAL FUND.....</b>		<b>781,722</b>	<b>458,490</b>
<b>MAJOR FUND – CAPITAL PROJECTS:</b>			
Capital projects .....	Health Insurance		1,803
<b>DEBT SERVICE FUND:</b>			
Compensated absences fund.....	General Fund		619,315
<b>NONMAJOR FUNDS:</b>			
<b>SPECIAL REVENUE FUNDS:</b>			
Capital nonrecurring fund .....	General Fund		5,817
Recreation program fund.....	Health Insurance		6,683
School cafeteria services fund.....	Health Insurance		8,271
<b>TOTAL SPECIAL REVENUE FUNDS.....</b>		<b>-</b>	<b>20,771</b>
<b>TOTAL GOVERNMENTAL FUNDS .....</b>		<b>781,722</b>	<b>1,100,379</b>
<b>INTERNAL SERVICE FUNDS:</b>			
<b>Health insurance:</b>			
General fund.....	N/A		75,700
Capital projects.....	N/A	1,803	
Recreation program fund.....	N/A	6,683	
School cafeteria services fund.....	N/A	8,271	
Mansfield downtown partnership .....	N/A	353	
Management services .....	N/A	1,913	
Management services .....	Health Insurance		1,913
Workers' compensation insurance .....	General Fund		1,596
<b>TOTAL INTERNAL SERVICE FUNDS.....</b>		<b>19,023</b>	<b>79,209</b>
<b>FIDUCIARY FUNDS:</b>			
Mansfield downtown partnership.....	Health Insurance		353
Performance bonds.....	General Fund	458,490	
Postemployment healthcare trust.....	General Fund		79,294
<b>TOTAL FIDUCIARY FUNDS.....</b>		<b>458,490</b>	<b>79,647</b>
<b>GRAND TOTAL.....</b>		<b>\$ 1,259,235</b>	<b>\$ 1,259,235</b>

All interfund balances resulted from the time lag between the date payments occurred between funds for short-term internal financing. With respect to the fiduciary funds, this is due to these funds participation in the Town's pooled cash system.

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		100,000
Other operating funds .....	N/A		75,375
School cafeteria fund .....	N/A	2,500	
Bond fund .....	N/A		<u>400,000</u>
TOTAL GENERAL FUND .....		<u>2,500</u>	<u>685,375</u>
CAPITAL PROJECTS FUND:			
General fund .....	N/A	110,000	
Town aid road fund .....	N/A	15,000	
Capital nonrecurring fund .....	N/A	1,058,534	
Recreation fund .....	N/A	9,850	
Management services fund .....	N/A	<u>15,000</u>	
TOTAL CAPITAL PROJECTS FUND .....		<u>1,208,384</u>	<u>-</u>
<u>NONMAJOR FUNDS:</u>			
SPECIAL REVENUE FUNDS:			
Capital nonrecurring fund:			
General fund .....	N/A	100,000	
Capital projects .....	N/A		1,058,534
Recreation program fund .....	N/A		40,000
Other operating funds .....	N/A		21,171
Bond fund .....	N/A		215,000
Management services .....	N/A		200,000
Recreation program fund:			
Capital projects .....	N/A		9,850
Capital nonrecurring fund .....	N/A	40,000	
Other operating fund:			
General fund .....	N/A	75,375	
Capital nonrecurring fund .....	N/A	21,171	
School cafeteria fund:			
General fund .....	N/A		2,500
Town aid road .....	Capital Projects Fund		<u>15,000</u>
TOTAL SPECIAL REVENUE FUNDS .....		<u>236,546</u>	<u>1,562,055</u>
DEBT SERVICE FUND:			
Bond fund:			
General fund .....	N/A	400,000	
Capital nonrecurring fund .....	N/A	<u>215,000</u>	
TOTAL DEBT SERVICE FUND .....		<u>615,000</u>	<u>-</u>
TOTAL NONMAJOR FUNDS .....		<u>851,546</u>	<u>1,562,055</u>

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	\$	\$ 15,000
Capital nonrecurring fund .....	N/A	200,000	
TOTAL INTERNAL SERVICE FUNDS.....		200,000	15,000
GRAND TOTAL.....		\$ 2,262,430	\$ 2,262,430

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, 2006	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2007	CURRENT PORTION
BONDS:									
General Purpose:									
Improvement bond	\$ 225,000	10/15/89	06/15/07	6.75%-6.8%	\$ 5,000	\$ 5,000	\$ -	\$ -	
Refunding bond ...	725,000	02/15/04	06/01/14	2.00%-4.00%	555,000	80,000	475,000	80,000	
Taxable bond.....	2,590,000	02/15/04	06/01/13	1.32%-5.00%	1,900,000	220,000	1,680,000	225,000	
Total General Purpose.....					2,460,000	-	305,000	2,155,000	305,000
Schools:									
Improvement bond	4,775,000	10/15/89	06/15/09	6.75%-6.8%	495,000	295,000	200,000	150,000	
Improvement bond	2,525,000	06/15/90	06/15/09	6.5%-8.0%	300,000	100,000	200,000	100,000	
Refunding bond .	940,000	02/15/04	06/01/14	2.00%-4.00%	715,000	105,000	610,000	105,000	
Total Schools .....					1,510,000	-	500,000	1,010,000	355,000
TOTAL BONDS .....					3,970,000	-	805,000	3,165,000	660,000
BOND PREMIUM.....					9,820		1,228	8,592	
DEFERRED CHARGE ON REFUNDING.....					( 149,180)	( 18,648)	( 130,532)		
TOTAL BONDS AND RELATED LIABILITIES .....					3,830,640	-	787,580	3,043,060	660,000
ACCRUED COMPENSATED ABSENCES.....					976,597	1,142,842	1,480,257	639,182	127,836
RETIREMENT BENEFIT.....					2,529,133	71,890	342,057	2,258,966	322,409
TOTAL LONG-TERM OBLIGATIONS .....					\$ 7,336,370	\$ 1,214,732	\$ 2,609,894	\$ 5,941,208	\$ 1,110,245

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)**

Enterprise Funds

	BALANCE JULY 1, 2006			ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, CURRENT 2007 PORTION	
ACCRUED COMPENSATED ABSENCES.....	\$	36,917	\$	9,371	\$	33,364	\$ 12,924 \$ 3,231
LANDFILL CLOSURE/POSTCLOSURE.....		116,000				4,000	112,000 4,000
TOTAL GENERAL LONG-TERM OBLIGATIONS.....	\$	152,917	\$	9,371	\$	37,364	\$ 124,924 \$ 7,231

Summary of Debt Service Requirements to Maturity

The annual requirements to amortize serial bonds outstanding at June 30, 2007, are as follows:

SCHOOLS

YEAR ENDING JUNE 30	STATE REIMBURSE- MENT	NET PRINCIPAL PAYMENTS TO MATURITY	INTEREST	STATE REIMBURSE- MENT	NET INTEREST PAYMENTS TO MATURITY	NET DEBT SERVICE TO MATURITY
2008	\$ 164,663	\$ 190,337	\$ 45,312	\$ 16,131	\$ 29,181	\$ 219,518
2009	99,288	135,711	24,913	5,930	18,983	154,694
2010		90,000	13,388		13,388	103,388
2011		85,000	10,912		10,912	95,912
2012		85,000	8,362		8,362	93,362
2013		80,000	5,600		5,600	85,600
2014		80,000	2,880		2,880	82,880
	\$ 263,951	\$ 746,048	\$ 111,367	\$ 22,061	\$ 89,306	\$ 835,354

GENERAL PURPOSE

YEAR ENDING JUNE 30	STATE REIMBURSE- MENT	INTEREST	TOTAL	TOTAL NET DEBT SERVICE TO MATURITY
2008	\$ 90,770	\$ 395,770	\$ 615,288	\$ 615,288
2009	79,290	374,290	528,984	528,984
2010	68,540	433,540	536,928	536,928
2011	53,853	423,853	519,765	519,765
2012	37,292	412,292	505,654	505,654
2013	20,300	400,300	485,900	485,900
2014	2,340	67,340	150,220	150,220
	\$ 352,385	\$ 2,507,385	\$ 3,342,739	\$ 3,342,739

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

State Reimbursement

Amounts in the State reimbursement columns are projected school construction grants to be received in the years subsequent to June 30, 2007, and represent principal and interest subsidies from the State of Connecticut.

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)**

Overlapping and Underlying Indebtedness

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

	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 .....	\$ 19,680,000	\$ 13,743,374	\$ 5,936,626	54.61%	\$ 3,241,991

**2. Termination Benefits**

The Town provides severance payments to teachers and certain administrators upon retirement. To qualify for benefits the employee must achieve age 70 with at least 15 years of service as a teacher in Mansfield. The Town funds the severance cost for the 46 eligible participants. The benefits will be paid in future years as the employees retire. The amounts are paid as incurred from the General Fund. During the fiscal year ended June 30, 2007, \$342,057 was paid for these benefits.

**3. 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	\$ 45,881,303	\$ 2,155,000	\$ 43,726,303
Schools	91,762,605	3,988,040	87,774,565
Sewers	76,468,838		76,468,838
Urban renewal	66,272,993		66,272,993
Pension deficit	61,175,070		61,175,070

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$142,741,830.

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 \$263,951 for bond principal are reflected as deductions in the computation of net indebtedness.

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

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**III. DETAILED NOTES (CONTINUED)**

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

**4. Authorized/Unissued Bonds**

At June 30, 2007, the Town had no bonds authorized and unissued.

**5. Landfill Closure and Postclosure 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 28 years at \$4,000 per year are \$112,000. 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.

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

**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

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

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN <u>ESTIMATES</u>	CLAIM <u>PAYMENTS</u>	CLAIMS PAYABLE <u>JUNE 30</u>
2005-06.....	\$ 480,000	\$ 4,297,986	\$ 4,297,986	\$ 480,000
2006-07.....	480,000	5,479,427	5,433,137	526,290

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 2005-06 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.

**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, 2005, 2006 and 2007 were \$350,952, \$486,998 and \$534,789, 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, 2007.

**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 \$50,000 for the year ended June 30, 2007.

**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 \$814,005.

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# **Supplemental Schedules**

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## **General Fund**

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

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2007 AND 2006

	2007	2006	2007	2006
<b>ASSETS</b>				
Cash.....	\$ 126,383	\$ 111,473	\$ 586,473	\$ 313,125
Investments.....	3,365,660	3,994,287		
Property taxes receivable.....	505,866	500,106	142,504	578,308
Accounts receivable:			411,015	237,412
Intergovernmental.....		26,000	13,571	16,604
Other.....	50,888	95,505		
Total Accounts receivable.....	50,888	121,505	567,090	832,324
Due from other funds.....	781,722	322,492	774,412	862,862
TOTAL ASSETS.....	\$ 4,830,519	\$ 5,049,863	458,490	735,679
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
Cash overdraft.....				
Accounts and other payables:				
Accounts payable.....			153,874	141,031
Payroll deductions.....			394,291	431,213
Due to State of Connecticut.....				
Total Accounts and other payables.....			548,165	572,244
Accrued liabilities.....			2,934,630	3,316,234
Due to other funds.....				
Unearned revenue:				
Advance tax collections.....			126,765	71,936
Property taxes.....			1,769,124	1,661,693
Total unearned revenue.....			1,895,889	1,733,629
TOTAL LIABILITIES.....			\$ 4,830,519	\$ 5,049,863
<b>FUND BALANCE:</b>				
Reserved for encumbrances.....				
Unreserved and undesignated.....				
TOTAL FUND BALANCE.....				
TOTAL LIABILITIES AND FUND BALANCE.....				

SCHEDULE 2

TOWN OF MANSEFIELD, CONNECTICUT

GENERAL FUND

SCHEDULE OF CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
FUND BALANCE - JULY 1, 2006.....				\$ 1,661,693
REVENUES AND TRANSFERS IN:				
Total revenues and transfers in.....	\$ 38,839,680	\$ 38,839,680	\$ 38,927,363	\$ 87,683
EXPENDITURES AND TRANSFERS OUT:				
Town.....	\$ 11,229,590	\$ 11,229,590	\$ 11,214,087	\$ 15,503
Mansfield board of education.....	18,923,220	18,923,220	18,918,972	4,248
Contribution to Region No. 19 board of education.....	8,686,870	8,686,870	8,686,873	(3)
TOTAL EXPENDITURES AND TRANSFERS OUT.....	\$ 38,839,680	\$ 38,839,680	\$ 38,819,932	\$ 19,748
NET CHANGE IN FUND BALANCE.....				107,431
FUND BALANCE - JUNE 30, 2007.....				\$ 1,769,124
FUND BALANCE (EXHIBIT C): Unreserved and undesignated.....				\$ 1,769,124

**TOWN OF MANSFIELD, CONNECTICUT**

GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>				
Current year levy.....	\$ 19,889,070	\$ 19,889,070	\$ 19,984,228	\$ 95,158
Prior year levy.....	185,000	185,000	126,390	(58,610)
Interest and lien fees.....	115,000	115,000	134,259	19,259
Motor vehicle supplement.....	190,000	190,000	174,238	(15,762)
Suspense collections taxes.....	6,000	6,000	7,921	1,921
Suspense collections interest.....	4,000	4,000	8,147	4,147
Motor vehicle penalty.....	300	300	5,755	5,455
Telecom services payment.....	100,000	100,000	101,414	1,414
PILOT - senior housing.....			9,121	9,121
<b>TOTAL PROPERTY TAXES.....</b>	<b>20,489,370</b>	<b>20,489,370</b>	<b>20,551,473</b>	<b>62,103</b>
<b>INTERGOVERNMENTAL:</b>				
<b>STATE:</b>				
<b>BOARD OF EDUCATION:</b>				
Education assistance.....	8,804,430	8,804,430	8,804,733	303
School transportation.....	240,860	240,860	265,653	24,793
<b>TOTAL BOARD OF EDUCATION.....</b>	<b>9,045,290</b>	<b>9,045,290</b>	<b>9,070,386</b>	<b>25,096</b>
<b>GENERAL GOVERNMENT:</b>				
PILOT - State property.....	7,597,690	7,597,690	7,620,956	23,266
Circuit breaker.....	39,450	39,450	42,365	2,915
Tax relief for elderly freeze.....	1,840	2,640	1,840	(800)
Library - connecticard.....	12,000	12,000	16,530	4,530
Library - basic grant.....	2,500	2,500	2,321	(179)
Tax credit - new manufacturing equipment....	4,130	4,130	3,664	(466)
Boat reimbursement.....	2,500	2,500	2,503	3
Judicial Revenue Distribution.....			7,897	7,897
Disability exempt reimbursement.....	800		1,030	1,030
Civil preparedness.....	6,850	6,850	1,512	(5,338)
Veterans' reimbursement.....	5,760	5,760	5,458	(302)
Circuit court - parking fees.....			865	865
PILOT - Holinko Estates.....	18,500	18,500	13,592	(4,908)
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>7,692,020</b>	<b>7,692,020</b>	<b>7,720,533</b>	<b>28,513</b>
<b>FEDERAL:</b>				
In lieu of taxes.....	1,850	1,850	2,491	641
Social service block grant.....	1,000	1,000	915	(85)
<b>TOTAL FEDERAL.....</b>	<b>2,850</b>	<b>2,850</b>	<b>3,406</b>	<b>556</b>
<b>TOTAL INTERGOVERNMENTAL.....</b>	<b>16,740,160</b>	<b>16,740,160</b>	<b>16,794,325</b>	<b>54,165</b>
<b>INVESTMENT INCOME.....</b>	<b>500,000</b>	<b>500,000</b>	<b>552,299</b>	<b>52,299</b>

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>CHARGES FOR SERVICES:</b>				
Data processing - Region No. 19.....	\$ 10,080	\$ 10,080	\$ 10,080	\$ -
Region No. 19 financial services.....	70,790	70,790	70,800	10
Health district services.....	5,460	5,460	10,000	4,540
Recording.....	87,000	87,000	74,092	(12,908)
Copies of records.....	13,400	13,400	14,264	864
Vital statistics.....	4,000	4,000	5,439	1,439
Sale of maps/regulations.....			95	95
Police service.....	41,600	41,600	52,654	11,054
Redemption/release fees.....	3,000	3,000	3,095	95
Animal adoption fees.....	1,800	1,800	1,285	(515)
Redemption fees - Hampton/Scotland.....	600	600	140	(460)
Adoption fees - Hampton Scotland.....	20	20	15	(5)
Health district reimbursement.....	5,500	5,500		(5,500)
Postage on overdue books.....	16,000	16,000	17,049	1,049
Blueprints.....	80	80	92	12
Region No. 19 grounds maintenance.....	71,280	71,280	71,280	-
Zoning regulations.....	500	500	297	(203)
Daycare grounds maintenance.....	9,890	9,890	9,890	-
Charges for services.....	2,000	2,000	3,677	1,677
Celeron square bikepath maintenance.....	2,700	2,700	2,700	-
Licenses and permits.....	2,100	2,100	2,507	407
Sport licenses.....	700	700	638	(62)
Dog licenses.....	8,500	8,500	7,868	(632)
Conveyance tax.....	240,000	240,000	221,130	(18,870)
Trailer and subdivision permits.....	5,000	5,000	2,025	(2,975)
Zoning permits.....	18,000	18,000	14,695	(3,305)
ZBA applications.....	1,500	1,500	740	(760)
IWA permits.....	4,000	4,000	2,440	(1,560)
Sewer permits.....	50	50		(50)
Road permits.....	2,500	2,500	600	(1,900)
Building permits.....	350,000	350,000	309,557	(40,443)
Administrative cost - reimb. permits.....	100	100	82	(18)
Housing code permits.....	58,000	58,000	83,755	25,755
Housing code penalties.....	100	100		(100)
Landlord Registrations.....			7,275	7,275
Parking tickets - Town.....	5,000	5,000	5,141	141
Building fines.....	250	250	177	(73)
Rent - Region No. 19 maintenance.....	2,660	2,660	2,660	-
Rent - Historical Society.....	2,000	2,000	2,700	700
Rent - Animal control.....	5,590	5,590	5,592	2
Rent - Town hall.....	500	500	350	(150)
Rent - senior center.....	100	100		(100)
General assistance - individuals.....			7,370	7,370
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>1,052,350</b>	<b>1,052,350</b>	<b>1,024,246</b>	<b>(28,104)</b>

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>OTHER LOCAL REVENUES:</b>				
Other.....	\$ 5,300	\$ 5,300	\$ 2,520	\$ (2,780)
<b>TOTAL REVENUES.....</b>	<b>38,787,180</b>	<b>38,787,180</b>	<b>38,924,863</b>	<b>137,683</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in:				
Capital nonrecurring fund.....	50,000	50,000		(50,000)
School cafeteria fund.....	2,500	2,500	2,500	-
<b>TOTAL OTHER FINANCING SOURCES.....</b>	<b>52,500</b>	<b>52,500</b>	<b>2,500</b>	<b>(50,000)</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES.....</b>	<b>\$ 38,839,680</b>	<b>\$ 38,839,680</b>	<b>\$ 38,927,363</b>	<b>\$ 87,683</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:					
Town council:					
Legislative.....	\$ 75,330	\$ (3,300)	\$ 72,030	\$ 72,030	\$ -
Charter Revisions.....		3,033	3,033	3,033	-
Town manager:					
Municipal management.....	205,900	4,340	210,240	210,240	-
Personnel management.....	76,030	(4,315)	71,715	71,715	-
Legal:					
Town attorney.....	20,000	(5,081)	14,919	14,919	-
Probate.....	1,770	(327)	1,443	1,443	-
Elections:					
Registrars.....	29,900	(2,976)	26,924	26,924	-
Town clerk.....	163,760	6,848	170,608	170,608	-
General elections.....	11,200	3,250	14,450	14,450	-
Finance:					
Administration.....	64,340	2,928	67,268	67,268	-
Accounting and disbursements.....	243,360	6,671	250,031	250,031	-
Revenue collection.....	136,240	2,437	138,677	138,677	-
Property assessment.....	164,770	6,965	171,735	171,735	-
Central copying.....	40,000	915	40,915	40,915	-
Central services.....	32,300	1,868	34,168	34,168	-
Data processing.....	97,370	(1,552)	95,818	95,818	-
TOTAL GENERAL GOVERNMENT.....	1,362,270	21,704	1,383,974	1,383,974	-
PUBLIC SAFETY:					
Police protection:					
Police services.....	790,000	51,000	841,000	841,000	-
Animal control.....	77,280	103	77,383	77,383	-
Fire protection:					
Fire marshal.....	104,350	8,244	112,594	112,594	-
Fire and emergency services admin.....	183,410	10,517	193,927	193,927	-
Fire and emergency services.....	1,309,980	(55,867)	1,254,113	1,254,113	-
Emergency management.....	30,130	1,390	31,520	31,520	-
TOTAL PUBLIC SAFETY.....	2,495,150	15,387	2,510,537	2,510,537	-
PUBLIC WORKS:					
Administration.....	158,320	5,883	164,203	164,203	-
Operating services:					
Supervision and operation.....	78,850	1,139	79,989	79,989	-
Road services.....	634,460	33,387	667,847	667,847	-
Grounds maintenance.....	276,850	(2,292)	274,558	274,558	-
Equipment maintenance.....	418,170	320	418,490	418,490	-
Engineering.....	197,130	4,036	201,166	201,166	-
Buildings:					
Building inspection.....	135,300	10,538	145,838	145,838	-
Housing Code Enforcement.....	104,710	(11,821)	92,889	92,889	-
Building maintenance.....	660,590	61,170	721,760	721,760	-
TOTAL PUBLIC WORKS.....	2,664,380	102,360	2,766,740	2,766,740	-

(Continued)

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

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>COMMUNITY SERVICES:</b>					
Social service administration.....	\$ 257,430	\$ (3,190)	\$ 254,240	\$ 254,240	\$ -
Mansfield challenge - winter.....	2,570	50	2,620	2,620	-
Youth employment - middle school.....	4,000	(850)	3,150	3,150	-
Youth services.....	115,810	7,392	123,202	123,202	-
Senior services.....	192,330	13,039	205,369	205,369	-
Library administration.....	571,420	(18,490)	552,930	552,930	-
Recreation administration.....	161,260	16,625	177,885	177,885	-
Contribution to area agencies.....	283,660	(1)	283,659	283,659	-
<b>TOTAL COMMUNITY SERVICES.....</b>	<b>1,588,480</b>	<b>14,575</b>	<b>1,603,055</b>	<b>1,603,055</b>	<b>-</b>
<b>COMMUNITY DEVELOPMENT:</b>					
Planning administration.....	205,060	13,688	218,748	218,748	-
Planning/zoning inland/wetland.....	18,900	(7,757)	11,143	11,143	-
Downtown partnership.....	62,000		62,000	62,000	-
Boards and commissions.....	9,500	(665)	8,835	8,835	-
<b>TOTAL COMMUNITY DEVELOPMENT.....</b>	<b>295,460</b>	<b>5,266</b>	<b>300,726</b>	<b>300,726</b>	<b>-</b>
<b>TOWNWIDE EXPENDITURES:</b>					
Employee benefits.....	1,968,870	(8,269)	1,960,601	1,960,601	-
Medical Pension Trust.....	50,000		50,000	50,000	-
Insurance.....	116,280	(3,326)	112,954	112,954	-
Contingency.....	173,200	(157,697)	15,503		15,503
<b>TOTAL TOWNWIDE EXPENDITURES.....</b>	<b>2,308,350</b>	<b>(169,292)</b>	<b>2,139,058</b>	<b>2,123,555</b>	<b>15,503</b>
<b>TOTAL TOWN EXPENDITURES.....</b>	<b>10,714,090</b>	<b>(10,000)</b>	<b>10,704,090</b>	<b>10,688,587</b>	<b>15,503</b>
<b>EDUCATION:</b>					
Contribution to Region No. 19 board of education.....	8,686,870		8,686,870	8,686,873	(3)
Mansfield board of education.....	18,886,220	(122,875)	18,763,345	18,759,097	4,248
<b>TOTAL EDUCATION.....</b>	<b>27,573,090</b>	<b>(122,875)</b>	<b>27,450,215</b>	<b>27,445,970</b>	<b>4,245</b>
<b>TOTAL EXPENDITURES.....</b>	<b>38,287,180</b>	<b>(132,875)</b>	<b>38,154,305</b>	<b>38,134,557</b>	<b>19,748</b>
<b>OTHER FINANCING USES:</b>					
Transfers out:					
Capital projects fund - board.....		110,000	110,000	110,000	-
Special revenue funds:					
Capital Nonrecurring.....	100,000		100,000	100,000	-
Other operating funds - town.....	15,500	10,000	25,500	25,500	-
Other operating funds - board.....	37,000	12,875	49,875	49,875	-
Bond fund.....	400,000		400,000	400,000	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>552,500</b>	<b>132,875</b>	<b>685,375</b>	<b>685,375</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 38,839,680</b>	<b>\$ -</b>	<b>\$ 38,839,680</b>	<b>\$ 38,819,932</b>	<b>\$ 19,748</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
 SCHEDULE OF BOARD OF EDUCATION EXPENDITURES  
 AND OTHER FINANCING USES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
EXPENDITURES:					
Regular instruction.....	\$ 6,868,410	\$ 287,731	\$ 7,156,141	\$ 7,156,141	\$ -
English.....	56,200	(5,552)	50,648	50,648	-
World languages.....	11,710	(797)	10,913	10,913	-
Health and safety.....	8,870	(826)	8,044	8,044	-
Physical education.....	14,750	(704)	14,046	14,046	-
Art.....	13,230	(888)	12,342	12,342	-
Mathematics.....	34,090	(3,573)	30,517	30,517	-
Music.....	29,300	(2,753)	26,547	26,547	-
Science.....	28,970	(1,273)	27,697	27,697	-
Social studies.....	19,860	(3,193)	16,667	16,667	-
Computer education.....	246,260	(3,490)	242,770	242,770	-
Family and consumer sciences.....	8,150	(615)	7,535	7,535	-
Technology education.....	11,650	(4,197)	7,453	7,453	-
Special ed instruction.....	1,437,660	(179,742)	1,257,918	1,257,918	-
Enrichment.....	317,170	(9,048)	308,122	308,122	-
Preschool.....	298,990	(35,099)	263,891	263,891	-
Remedial education.....	325,830	(17,160)	308,670	308,670	-
Summer school free only (ED001).....	32,000	10,748	42,748	42,748	-
Tuition payments.....	200,000	(66,378)	133,622	133,622	-
Central service - instructional supplies.....	162,620	(8,842)	153,778	153,778	-
Guidance services.....	140,550	(24,432)	116,118	116,118	-
Health services.....	192,220	(9,749)	182,471	182,471	-
Occupational and physical therapy.....	171,000	115,936	286,936	286,936	-
Speech and hearing services.....	131,410	(34,889)	96,521	96,521	-
Pupil services - testing.....	11,570	(11,570)	-	-	-
Psychological services - S.E.....	312,200	(35,921)	276,279	276,279	-
Curriculum development.....	248,110	(7,234)	240,876	240,876	-
Professional development.....	37,730	(1,675)	36,055	36,055	-
Media services.....	38,990	4,433	43,423	43,423	-
Library.....	269,680	(11,533)	258,147	258,147	-
Board of education.....	322,940	(82,010)	240,930	236,682	4,248
Superintendent's office.....	373,870	(51,727)	322,143	322,143	-
Special education admin.....	246,580	(11,487)	235,093	235,093	-
Principals' office.....	857,740	(7,086)	850,654	850,654	-
Support services - central.....	32,620	(1,672)	30,948	30,948	-
Field studies.....	13,500	(22)	13,478	13,478	-
Business management.....	273,620	(5,486)	268,134	268,134	-
Plant operations - building.....	1,512,720	73,471	1,586,191	1,586,191	-
Regular transportation.....	666,510	73,802	740,312	740,312	-
Special education transportation.....	137,990	(32,887)	105,103	105,103	-
After school program.....	30,330	5,822	36,152	36,152	-
Athletic program.....	31,020	(3,055)	27,965	27,965	-
Employee benefits.....	2,707,600	(18,253)	2,689,347	2,689,347	-
<b>TOTAL EXPENDITURES.....</b>	<b>18,886,220</b>	<b>(122,875)</b>	<b>18,763,345</b>	<b>18,759,097</b>	<b>4,248</b>
OTHER FINANCING USES:					
Transfers out:					
Capital projects fund.....		110,000	110,000	110,000	-
Other operating funds.....	37,000	12,875	49,875	49,875	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>37,000</b>	<b>122,875</b>	<b>159,875</b>	<b>159,875</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 18,923,220</b>	<b>\$ -</b>	<b>\$ 18,923,220</b>	<b>\$ 18,918,972</b>	<b>\$ 4,248</b>

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2007

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2006	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2007
			ADDITIONS *	DEDUCTIONS **			TAXES	INTEREST AND LIEN FEES	TOTAL	
1990	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1991								346	346	
1992								37	37	
1993	361					361		1,719	2,080	
1994	361					361		1,441	1,802	
1995	361					361		872	1,233	
1996	361					361		1,212	1,573	
1997	1,362					2,346		3,710	6,056	
1998	3,532		984		266	4,250		6,137	10,387	
1999	4,508		984		394	4,689		6,498	10,918	269
2000	4,387		1,457		291	5,553		4,940	7,813	2,680
2001	16,621			913	3,910	11,798		4,664	9,932	6,530
2002	54,403		446	102	21,777	32,970		10,071	26,990	16,051
2003	149,186		262	3,904	67,842	77,702		18,649	58,980	37,371
2004	264,663		69	21,753	6,537	236,442		29,922	131,566	134,798
TOTAL PRIOR YEARS	500,106		4,777	26,672	101,017	377,194		90,660	270,155	197,699
2005		20,369,248	114,271	112,376	593	20,370,550		57,312	20,119,695	308,167
TOTAL	\$ 500,106	\$ 20,369,248	\$ 119,048	\$ 139,048	\$ 101,610	\$ 20,747,744		\$ 147,972	\$ 20,389,850	\$ 505,866
						Advance collections			153,874	
						Suspense collections			7,977	
						Total collections			\$ 147,972	\$ 20,551,701

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

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## **Capital Projects Fund**

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

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL PROJECTS FUND  
SCHEDULE OF CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	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.....	49,460	50,180	(720)	49,460	-
Landscape public buildings.....	10,000		10,000	10,000	-
Old town hall repairs.....	16,327	16,500	(173)	16,327	-
Community Center Architectual Study.....	19,850	10,000	9,850	19,850	-
Town hall modifications.....	35,000		35,000	35,000	-
Reroof old town hall.....	16,400		16,000	16,000	(400)
Pool cars 2006/2007.....	40,000		40,000	40,000	-
Water supply study.....	90,000	90,000		90,000	-
Town hall furnishings.....			1,807	1,807	1,807
Employee classification study.....	13,875	20,000	(6,125)	13,875	-
Plan of conservation and development.....	13,242	10,000	3,242	13,242	-
Assisted living facility study.....	30,638	25,000	5,638	30,638	-
Traffic consultant.....	50,000	50,000		50,000	-
Ventilation/exhaust system.....	8,000		8,000	8,000	-
Replace engine 107/117.....	752,230	550,331		550,331	(201,899)
Police cruiser 2004/2005.....	31,513	28,500	3,013	31,513	-
Hazardous waste trailer.....	14,742	15,000	(258)	14,742	-
Refurbish engine ET207.....	40,000	40,000		40,000	-
Police cruiser 2005/2006.....	29,113	25,000	4,113	29,113	-
Police cruiser 2006/2007.....	25,000		25,000	25,000	-
Fire chief vehicle.....	35,000		35,000	35,000	-
Rescue vehicle 2006/2007.....	95,000		95,000	95,000	-
Large diameter fire hose.....	10,000		10,000	10,000	-
Airbags & foam tank repair.....	9,794	20,000	(10,206)	9,794	-
SCBA equipment upgrade.....	59,800	60,000	(200)	59,800	-
State police radio.....	5,000		5,000	5,000	-
Fire ponds.....	15,500	15,500		15,500	-
Roof replacement.....	130,000	105,000	17,900	122,900	(7,100)
Town garage furnaces.....	10,000		10,000	10,000	-
Small bridges and culverts.....	254,084	323,084	(69,000)	254,084	-
Large bridge maintenance.....	673,236	543,236	130,000	673,236	-
Stone mill bridge.....	146,350		24,890	24,890	(121,460)
Town walkways.....	295,000	135,000	160,000	295,000	-
Laurel Lane bridge.....	175,600		47,183	47,183	(128,417)
Road drainage.....	320,311	320,311		320,311	-
Birch road T.E.P.....	826,880	786,316	34,967	821,283	(5,597)
Guard rails.....	29,197	29,197		29,197	-
Mansfield center T.E.P.....	390,000	286,384	94,567	380,951	(9,049)
Maple road reconstruction.....	1,272,000	115,000		115,000	(1,157,000)
Road resurfacing.....	1,178,677	886,361	296,957	1,183,318	4,641
Clover Mill Road reclaim.....	144,200	139,405	20,389	159,794	15,594
Separatist Road bikeway.....	750,000	650,000		650,000	(100,000)
Large dump truck 2005/2006.....	98,811	100,000	(1,189)	98,811	-
Pickup truck 2005/2006.....	26,514	34,500	(7,986)	26,514	-
Garage service truck.....	60,000		60,000	60,000	-
Pickup truck 2006/2007.....	25,000		25,000	25,000	-
Snowplows.....	11,000	11,000		11,000	-
Vac-all body replacement.....	30,000	30,000		30,000	-
Vehicle key boxes.....	7,500	7,500		7,500	-
Engineering CAD upgrades.....	123,500	108,500	15,000	123,500	-
Mapping workstation and software.....	120,000	120,000		120,000	-
Vehicle AVL system.....	25,000	25,000		25,000	-
Tree replacement.....	17,500	17,500		17,500	-
New town aerial photos.....	35,000		35,000	35,000	-
Storrs center area improvement.....	450,000	450,000		450,000	-
MDP revital and enhancement.....	1,140,000	328,880	209,184	538,064	(601,936)
ADA compliance.....	25,000	25,000		25,000	-
MDD canopy design.....	32,500	7,500	25,000	32,500	-
Library repairs.....	10,000		10,000	10,000	-
Senior center equipment.....	30,000	30,000		30,000	-
Lions club park.....	517,000	517,000	3,000	520,000	3,000
Open space purchase.....	3,143,855	3,143,855	113,000	3,256,855	113,000
Community center.....	7,765,000	7,765,000		7,765,000	-
Community center walking track.....	325,000	110,000	42,000	152,000	(173,000)
Community center equipment.....	125,000	125,000		125,000	-

(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
Skate park.....	\$ 40,000	\$ 40,000	\$	\$ 40,000	\$ -
Community center air conditioning.....	200,000			-	(200,000)
Park improvements.....	168,000	158,000	10,000	168,000	-
Playground resurfacing.....	32,000	32,000		32,000	-
Southeast park improvement.....	154,000	84,000		84,000	(70,000)
Southeast Park Playscape.....	85,500	71,500	19,668	91,168	5,668
Wmtc river greenway.....	48,800	9,760	25,000	34,760	(14,040)
Commonfields trail improvements.....	15,340		3,070	3,070	(12,270)
Schoolhouse brook park improvements.....	10,000		10,000	10,000	-
New wells - schools.....	635,730	110,000	125,730	235,730	(400,000)
Deferred maintenance projects.....	359,936	334,936	135,000	469,936	110,000
Elementary school shelving.....	12,800	10,000	2,800	12,800	-
MMS auditorium renovations.....	150,000	100,000	50,000	150,000	-
MMS gym partition repair.....	30,000	30,000		30,000	-
Vinton school shingle repl.....	15,131	15,000	131	15,131	-
School building committee.....	160,000		10,000	10,000	(150,000)
MMS lavatory fixtures.....	5,000		5,000	5,000	-
MMS heating alterations.....	3,800,000			-	(3,800,000)
Maintenance van 2005/2006.....	34,268	35,000	(732)	34,268	-
Technology upgrade.....	100,000	75,000	25,000	100,000	-
Schools cleaning equipment.....	36,000	18,000	18,000	36,000	-
<b>TOTAL.....</b>	<b>\$ 28,406,704</b>	<b>\$ 19,484,736</b>	<b>\$ 2,023,510</b>	<b>\$ 21,508,246</b>	<b>\$ (6,898,458)</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL PROJECTS FUND  
SCHEDULE OF CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	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.....	49,460	49,460		49,460	-
Landscape public buildings.....	10,000				10,000
Old town hall repairs.....	16,327	16,327		16,327	-
Community center architectural study.....	19,850	17,550	4,250	21,800	(1,950)
Town hall modifications.....	35,000		5,660	5,660	29,340
Reroof old town hall.....	16,400		16,000	16,000	400
Pool cars 2006/2007.....	40,000		36,996	36,996	3,004
Water supply study.....	90,000	57,756		57,756	32,244
Employee classification study.....	13,875	13,875		13,875	-
Plan of conservation and development.....	13,242	13,242	355	13,597	(355)
Assisted living facility study.....	30,638	30,638		30,638	-
Traffic consultant.....	50,000	11,227	22,253	33,480	16,520
Ventilation/exhaust system.....	8,000		6,210	6,210	1,790
Replace engine 107/117.....	752,230	753,652		753,652	(1,422)
Police cruiser 2004/2005.....	31,513	31,513		31,513	-
Hazardous waste trailer.....	14,742	14,742		14,742	-
Refurbish engine ET207.....	40,000	24,622		24,622	15,378
Police cruiser 2005/2006.....	29,113	29,113		29,113	-
Police cruiser 2006/2007.....	25,000				25,000
Fire Chief vehicle.....	35,000		34,947	34,947	53
Rescue vehicle 2006/2007.....	95,000				95,000
Large diameter fire hose.....	10,000		400	400	9,600
Airbags and tank repair.....	9,794	9,794		9,794	-
SCBA equipment upgrade.....	59,800	59,800		59,800	-
State police radio.....	5,000		3,677	3,677	1,323
Fire ponds.....	15,500	8,932		8,932	6,568
Roof replacement.....	130,000	105,859	12,350	118,209	11,791
Town garage furnaces.....	10,000		11,576	11,576	(1,576)
Small bridges and culverts.....	254,084	200,526	5,270	205,796	48,288
Large bridge maintenance.....	673,236	313,815	5,821	319,636	353,600
Stone mill bridge.....	146,350		31,113	31,113	115,237
Town walkways.....	295,000	129,693	61,513	191,206	103,794
Laurel lane bridge.....	175,600		58,949	58,949	116,651
Road drainage.....	320,311	194,905	83,920	278,825	41,486
Birch road T.E.P.....	826,880	874,954		874,954	(48,074)
Guard rails.....	29,197	23,362		23,362	5,835
Mansfield center T.E.P.....	390,000	355,577		355,577	34,423
Maple road reconstruction.....	1,272,000	91,567		91,567	1,180,433
Road resurfacing.....	1,178,677	904,119	244,966	1,149,085	29,592
Clover Mill Road reclaim.....	144,200	173,697	11,978	185,675	(41,475)
Separatist Road bikeway.....	750,000	520,149	82,390	602,539	147,461
Large dump truck 2005/2006.....	98,811		105,676	105,676	(6,865)
Pickup truck 2005/2006.....	26,514	26,514		26,514	-
Garage service truck.....	60,000		54,642	54,642	5,358
Pickup truck 2006/2007.....	25,000				25,000
Snowplows.....	11,000			-	11,000
Vac-all body replacement.....	30,000	8,855		8,855	21,145
Vehicle key boxes.....	7,500	559		559	6,941
Engineering CAD upgrades.....	123,500	67,741	27,506	95,247	28,253
Mapping workstation/software.....	120,000	100,800	19,200	120,000	-
Vehicle AVL system.....	25,000	-	19,050	19,050	5,950
Tree replacement.....	17,500	3,839	835	4,674	12,826
Storrs center area improvement.....	450,000	163,888	10,501	174,389	275,611
MDP revital and enhancement.....	1,140,000	328,879	208,024	536,903	603,097
New town aerial photos.....	35,000		33,240	33,240	1,760
ADA compliance.....	25,000	3,847		3,847	21,153
MDD canopy design.....	32,500			-	32,500
Library repairs.....	10,000				10,000
Senior center equipment.....	30,000	26,394	1,419	27,813	2,187
Senior center association study.....			850	850	(850)
Lions club park.....	517,000	411,944	163	412,107	104,893
Open space purchase.....	3,143,855	2,614,913	9,176	2,624,089	519,766
Community center.....	7,765,000	7,850,441		7,850,441	(85,441)
Community center walking track.....	325,000	277,618		277,618	47,382
Community center equipment.....	125,000	104,714	17,629	122,343	2,657

(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
Skate park.....	\$ 40,000	\$ 10,109	\$ 4,756	\$ 14,865	\$ 25,135
Community center air conditioning.....	200,000		284	284	199,716
Park improvements.....	168,000	158,874	282	159,156	8,844
Playground resurfacing.....	32,000	23,313	2,872	26,185	5,815
Southeast park improvement.....	154,000	12,298	2,349	14,647	139,353
Southeast park playscape.....	85,500	57,495	35,253	92,748	(7,248)
WMTC River greenway.....	48,800	2,220	5,672	7,892	40,908
Commonfields trail improvements.....	15,340		660	660	14,680
School house brook park improvements...	10,000				10,000
New wells - schools.....	635,730	136,272	675,011	811,283	(175,553)
Deferred maintenance projects.....	359,936	322,227	32,742	354,969	4,967
Elementary school shelving.....	12,800	12,775		12,775	25
MMS auditorium renovations.....	150,000	158,257		158,257	(8,257)
MMS asbestos removal.....			1,055	1,055	(1,055)
MMS gym partition repair.....	30,000	555	7,388	7,943	22,057
Vinton school shingle repl.....	15,131	15,131		15,131	-
Maintenance building addition.....		2,440	(4,405)	(1,965)	1,965
School building committee.....	160,000	112	4,187	4,299	155,701
MMS lavatory fixtures.....	5,000		5,067	5,067	(67)
MMS heating alterations.....	3,800,000				3,800,000
Maintenance van 2005/2006.....	34,268	34,268		34,268	-
Technology upgrade.....	100,000	46,570	25,000	71,570	28,430
School cleaning equipment.....	36,000	18,000	13,826	31,826	4,174
<b>TOTAL.....</b>	<b>\$ 28,406,704</b>	<b>\$ 18,092,328</b>	<b>\$ 2,060,504</b>	<b>\$ 20,152,832</b>	<b>\$ 8,253,872</b>

(Concluded)

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# Enterprise Funds

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

## Sewer Operating Fund

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

## 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, 2007

	UCONN	WILLIMANTIC	ELIMINATIONS	TOTAL
<u>ASSETS</u>				
Current assets:				
Investments.....	\$	\$ 365,360	\$	\$ 365,360
Accounts receivable.....	16,980	52,587		69,567
Due from UConn.....		7,773	(7,773)	-
<b>Total current assets.....</b>	<b>16,980</b>	<b>425,720</b>	<b>(7,773)</b>	<b>434,927</b>
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....	3,000	63,298		66,298
Construction in progress.....	69,007			69,007
Pump station.....	121,194			121,194
Sewer distribution system.....	153,459	278,257		431,716
<b>Total capital assets (net of accumulated depreciation).....</b>	<b>346,660</b>	<b>341,555</b>	<b>-</b>	<b>688,215</b>
<b>TOTAL ASSETS.....</b>	<b>363,640</b>	<b>767,275</b>	<b>(7,773)</b>	<b>1,123,142</b>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	29,480	20,479		49,959
Due to Willimantic.....	7,773		(7,773)	-
<b>Total current liabilities.....</b>	<b>37,253</b>	<b>20,479</b>	<b>(7,773)</b>	<b>49,959</b>
<u>NET ASSETS</u>				
Invested in capital assets.....	346,660	341,555		688,215
Unrestricted.....	(20,273)	405,241		384,968
<b>TOTAL NET ASSETS.....</b>	<b>\$ 326,387</b>	<b>\$ 746,796</b>	<b>\$ -</b>	<b>\$ 1,073,183</b>

TOWN OF MANSFIELD, CONNECTICUT

SEWER OPERATING FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 BY CUSTOMER  
 FOR THE YEAR ENDED JUNE 30, 2007

	UCONN	WILLIMANTIC	TOTAL
<b>OPERATING REVENUES:</b>			
Sewer charges.....	\$ 80,000	\$ 116,000	\$ 196,000
Other revenues.....		1,001	1,001
<b>TOTAL OPERATING REVENUES.....</b>	<b>80,000</b>	<b>117,001</b>	<b>197,001</b>
<b>OPERATING EXPENSES:</b>			
Sewer fees.....	68,225	65,054	133,279
Supplies and services.....	5,370	51,247	56,617
Depreciation.....	9,563	14,273	23,836
<b>TOTAL OPERATING EXPENSES.....</b>	<b>83,158</b>	<b>130,574</b>	<b>213,732</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(3,158)</b>	<b>(13,573)</b>	<b>(16,731)</b>
<b>TOTAL NET ASSETS - JULY 1, 2006.....</b>	<b>329,545</b>	<b>760,369</b>	<b>1,089,914</b>
<b>TOTAL NET ASSETS - JUNE 30, 2007.....</b>	<b>\$ 326,387</b>	<b>\$ 746,796</b>	<b>\$ 1,073,183</b>



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# Nonmajor Governmental Funds

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## Special Revenue Funds

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

### Capital Nonrecurring Fund

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

### Educational Grants Fund

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

### 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.

NONMAJOR GOVERNMENTAL FUNDS (continued)

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**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.

**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 MANSEFIELD, CONNECTICUT**

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007

		SPECIAL REVENUE FUNDS						
		CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD FUND	TOTAL
<u>ASSETS</u>								
Cash.....	\$							
Investments.....								
Receivables:								
Sewer assessments.....		18,100						18,100
Intergovernmental.....			5,237			28,864		34,101
Other.....				21,500	1,245			22,745
Other assets.....						13,571		13,571
<b>TOTAL ASSETS.....</b>	<b>\$</b>	<b>18,100</b>	<b>12,867</b>	<b>89,602</b>	<b>308,635</b>	<b>90,037</b>	<b>155,446</b>	<b>674,687</b>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>LIABILITIES:</u>								
Accounts and other payables.....	\$		9,442	25,467	11,951	1,552	13,589	62,001
Due to other funds.....		5,817		6,683		8,271		20,771
Unearned revenue.....		18,100	2,720	158,988				179,808
<b>TOTAL LIABILITIES.....</b>		<b>23,917</b>	<b>12,162</b>	<b>191,138</b>	<b>11,951</b>	<b>9,823</b>	<b>13,589</b>	<b>262,580</b>
<u>FUND BALANCES:</u>								
Unreserved and undesignated.....		(5,817)	705	(101,536)	296,684	80,214	141,857	412,107
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$</b>	<b>18,100</b>	<b>12,867</b>	<b>89,602</b>	<b>308,635</b>	<b>90,037</b>	<b>155,446</b>	<b>674,687</b>

(Continued)

SCHEDULE 12  
(2 of 2)

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

	PERMANENT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE FUND	CEMETERY FUND	LOCAL SCHOOL FUND	TOTAL	
<u>ASSETS</u>					
Cash.....	\$ 59	\$ -	\$ -	\$ -	\$ 600
Investments.....					585,629
Restricted Investments.....		351,013	769	351,782	351,782
Receivables:					
Sewer assessments.....					18,100
Intergovernmental.....					34,101
Other.....					22,745
Other assets.....					13,571
<b>TOTAL ASSETS.....</b>	<b>\$ 59</b>	<b>\$ 351,013</b>	<b>\$ 769</b>	<b>\$ 351,782</b>	<b>\$ 1,026,528</b>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES:</u>					
Accounts and other payables.....		\$ 5,321		\$ 5,321	\$ 67,322
Due to other funds.....					20,771
Unearned revenue.....					179,808
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>5,321</b>	<b>-</b>	<b>5,321</b>	<b>267,901</b>
<u>FUND BALANCES:</u>					
Reserved for debt service.....	59	344,492		-	59
Reserved for perpetual care.....		1,200	710	344,492	344,492
Reserved for endowments.....				1,910	1,910
Total reserved.....	59	345,692	710	346,402	346,461
Unreserved and undesignated.....			59	59	412,166
<b>TOTAL FUND BALANCES.....</b>	<b>59</b>	<b>345,692</b>	<b>769</b>	<b>346,461</b>	<b>758,627</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 59</b>	<b>\$ 351,013</b>	<b>\$ 769</b>	<b>\$ 351,782</b>	<b>\$ 1,026,528</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007

	SPECIAL REVENUE FUNDS						TOTAL
	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD FUND	
REVENUES:							
Intergovernmental.....	\$ 971,436	\$ 603,814	\$ 480	\$ 328,784	\$ 190,964	\$ 203,154	\$ 2,298,632
Investment income.....	100,000						100,000
Charges for services.....	187,045		1,677,619	239,080	617,084		2,720,828
Contributions.....			16,715	67,369			84,084
Other local revenues.....	5,949			72,572			78,521
TOTAL REVENUES.....	1,264,430	603,814	1,694,814	707,805	808,048	203,154	5,282,065
EXPENDITURES:							
Current:							
General government.....				52,797			52,797
Public safety.....				44,473			44,473
Public works.....						133,116	133,116
Community services.....			1,908,345	258,145			2,166,490
Education.....		603,759		374,387	801,521		1,779,667
TOTAL EXPENDITURES.....	-	603,759	1,908,345	729,802	801,521	133,116	4,176,543
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,264,430	55	(213,531)	(21,997)	6,527	70,038	1,105,522
OTHER FINANCING SOURCES (USES):							
Transfers in.....	100,000		40,000	96,546			236,546
Transfers out.....	(1,534,705)	(9,850)			(2,500)	(15,000)	(1,562,055)
NET OTHER FINANCING SOURCES (USES).....	(1,434,705)	-	30,150	96,546	(2,500)	(15,000)	(1,325,509)
NET CHANGE IN FUND BALANCES.....	(170,275)	55	(183,381)	74,549	4,027	55,038	(219,987)
FUND BALANCES - JULY 1, 2006.....	164,458	650	81,845	222,135	76,187	86,819	632,094
FUND BALANCES - JUNE 30, 2007.....	\$ (5,817)	\$ 705	\$ (101,536)	\$ 296,684	\$ 80,214	\$ 141,857	\$ 412,107

(Continued)

**SCHEDULE 13**  
**(2 of 2)**

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

	PERMANENT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE FUND	CEMETERY FUND	LOCAL SCHOOL FUND	TOTAL	
<b>REVENUES:</b>					
Intergovernmental.....	\$ 295,462	\$ -	\$ -	\$ -	\$ 2,594,094
Investment income.....			35	26,331	126,331
Charges for services.....	26,296	3,900		3,900	2,724,728
Contributions.....					84,084
Other local revenues.....					78,521
<b>TOTAL REVENUES.....</b>	<b>295,462</b>	<b>30,196</b>	<b>35</b>	<b>30,231</b>	<b>5,607,758</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....					52,797
Public safety.....					44,473
Public works.....					133,116
Community services.....		32,695		32,695	2,199,185
Education.....					1,779,667
Debt service:					
Principal.....	805,000				805,000
Interest.....	176,482				176,482
<b>TOTAL EXPENDITURES.....</b>	<b>981,482</b>	<b>32,695</b>	<b>-</b>	<b>32,695</b>	<b>5,190,720</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(686,020)</b>	<b>(2,499)</b>	<b>35</b>	<b>(2,464)</b>	<b>417,038</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	615,000				851,546
Transfers out.....					(1,562,055)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>615,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(710,509)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(71,020)</b>	<b>(2,499)</b>	<b>35</b>	<b>(2,464)</b>	<b>(293,471)</b>
<b>FUND BALANCES - JULY 1, 2006.....</b>	<b>71,079</b>	<b>348,191</b>	<b>734</b>	<b>348,925</b>	<b>1,052,098</b>
<b>FUND BALANCES - JUNE 30, 2007.....</b>	<b>\$ 59</b>	<b>\$ 345,692</b>	<b>\$ 769</b>	<b>\$ 346,461</b>	<b>\$ 758,627</b>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL NONRECURRING FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Intergovernmental.....	\$ 1,379,841	\$ 1,379,841	\$ 971,436	\$ (408,405)
Investment income.....	100,000	100,000	100,000	-
Charges for services.....	243,000	243,000	187,045	(55,955)
Other local revenues.....			5,949	5,949
<b>TOTAL REVENUES.....</b>	<b>1,722,841</b>	<b>1,722,841</b>	<b>1,264,430</b>	<b>(458,411)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of fund balance.....	315,799	32,799		(32,799)
Transfers in.....	100,000	100,000	100,000	-
Transfers out.....	(2,138,640)	(1,855,640)	(1,534,705)	320,935
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(1,722,841)</b>	<b>(1,722,841)</b>	<b>(1,434,705)</b>	<b>288,136</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(170,275)</b>	<b>\$ (170,275)</b>
FUND BALANCE - JULY 1, 2006.....			164,458	
FUND BALANCE - JUNE 30, 2007.....			<u>\$ (5,817)</u>	

TOWN OF MANSFIELD, CONNECTICUT

OTHER OPERATING FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007

	REVENUES AND OTHER FINANCING SOURCES				EXPENDITURES AND OTHER FINANCING USES							FUND BALANCES	FUND BALANCES
	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	CONTRIBUTIONS	OTHER LOCAL REVENUES	TRANSFERS IN (OUT)	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	COMMUNITY SERVICES	EDUCATION	TOTAL	JULY 1, 2006	JUNE 30, 2007
Adventure learning.....						123,971		123,971			123,971		(2)
Ambulance services.....						6,000		6,000			2,500	3,500	
America-the-Beautiful grant.....	6,000					500		298			298	394	596
Beautification committee.....				500		2,834		2,732			1,031	(62)	40
The blueberry fund.....			80	2,834		80		1,111			2,950		
BSA/Mt. Hope park program.....								1,912				1,038	
Charter communications - library.....						799		256				4,500	543
Children's grief group.....			4,500			4,500						1,725	1,725
Community center accessibility.....								394				560	166
Community center teen center.....								949				461	461
Community conversation.....								2,499				2,501	2,501
CT association gifted grant.....			1,410			1,410						(7,633)	130
CT clean energy grant.....			5,000			5,000	2,499					(1,137)	751
CT Humane Society Assistance.....					130	7,763						4,462	3,235
Daycare nongrant.....				2,185		2,185		297				583	11
Dorothy Goodwin program.....			3,000			3,000		544	4,227			(10,405)	(10,405)
Eagleville preserve.....	1,127					1,127	14					(3,289)	16,743
Ebay sales.....		25				25		10,405				278	278
Elder/disab resp trnsp grant.....												1,000	1,000
EMS equipment grant.....												28,110	28,110
Expanded DUI enforcement program.....	16,743					16,743						33,500	33,500
Family literacy.....								(543)				(543)	
Festival of lights.....						(1,000)						211	211
Financial reporting model 34.....												27,933	44,123
Firefighters' pension.....									12,010			9,514	7,510
Flemings this.....												455	272
Fred Cazel garden.....												871	(6,397)
Friends of the library.....			28,200			28,200						(5,663)	5,775
General services special needs.....			4,582			4,582						6,716	6,716
Goodwin greenhouse fund.....												5,976	11,079
Graustein discovery grant.....				19,762		19,762						(1,072)	(1,072)
Graustein incentive grant.....	7,000	5,202				12,202	6,539	172				(4,383)	(4,383)
Holiday DUI enforcement.....	5,775					5,775						5,509	5,509
Juniper Hill fire assistance.....												267	267
Land protection program.....		7,803				7,803		2,700				68	124
Liberty bank extended kindergarten program.....												93	1,163
Liberty bank program.....												(5,284)	1,119
LSTA program for older adults.....												165	165
LSTA long-range planning grant.....												5,879	4,711
Maintenance-sale of property.....			200	267		467						10,310	10,206
Mansfield advocates for children.....												777	777
Mansfield bike tour.....													
Mansfield challenge - summer.....													
Mansfield school readiness council.....													
Mansfield summer school program.....													
MDP festival on the green.....													
Mount Hope park.....			155	18,037	5,000	18,037		18,141	6,168			10,310	10,206
National science foundation grant.....	758				913	1,671		136	244			244	244

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

OTHER OPERATING FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2007

	REVENUES AND OTHER FINANCING SOURCES				EXPENDITURES AND OTHER FINANCING USES							FUND BALANCES	FUND BALANCES
	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	CONTRIBUTIONS	OTHER LOCAL REVENUES	TRANSFERS IN	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	COMMUNITY SERVICES	EDUCATION	TOTAL	JULY 1, 2006	JUNE 30, 2007
NECASA academic progress.....	\$ 900	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ -	\$ -	\$ -	\$ 1,209	\$ -	\$ 697	\$ 388
NECASA parent education.....	400	-	-	-	-	400	-	-	-	288	-	(25)	87
NECASA peer outreach.....	2,100	-	-	-	-	2,100	-	-	-	-	-	(1,792)	308
NECASA site graduation.....	-	-	-	43	-	43	-	-	-	-	-	(43)	-
NEGFOA Conference 2006.....	-	150	-	-	-	150	-	-	-	-	-	-	150
Neuter assist/education fund.....	-	-	-	-	-	-	-	-	-	-	-	(431)	(431)
Nuclear safety emergency.....	13,148	-	-	-	11,401	24,549	-	-	23,309	-	-	(2,168)	(928)
Oak grove school.....	5,663	-	-	-	-	5,663	-	5,715	-	5,715	-	15	15
Old Spring Hill.....	-	-	-	-	-	-	-	-	-	-	-	-	2,000
PAWS substance abuse prevention.....	37,500	-	2,000	-	-	37,500	9,898	-	-	9,898	-	51,593	27,602
Playscape fund.....	-	-	-	-	-	-	-	-	-	-	-	2,872	51,593
Police - underage drinking program.....	-	1,686	-	-	1,400	1,686	-	879	-	879	-	(1,400)	2,383
Preschool tuition.....	-	-	-	-	-	-	-	1,075	-	1,075	-	-	-
Rec. program scholarship fund.....	-	-	-	-	-	-	-	-	-	-	-	2,200	611
Recreation equipment fund.....	-	-	-	-	-	-	-	-	-	-	-	2,200	2,200
Restitution fees.....	-	-	-	-	-	-	-	-	-	-	-	8,572	1,221
Safe graduation.....	-	-	-	17,367	-	17,367	-	-	-	-	-	1,221	1,221
School use fund.....	-	-	-	-	-	-	-	-	24,718	24,718	-	5,184	3,569
Senior programs.....	203,667	13,949	50	-	5,000	262,963	-	20,614	-	20,614	-	108,967	116,538
Special education tuition - other schools.....	23,733	59,296	-	-	-	23,733	-	-	255,392	255,392	-	(5,558)	18,175
Speed enforcement highway safety.....	4,270	-	-	-	-	4,270	-	-	-	-	-	(4,270)	-
Speed radar display sign.....	-	-	-	-	-	-	-	-	-	-	-	(4,737)	-
Suzuki.....	-	-	15,994	-	33,474	49,468	-	-	44,731	44,731	-	(800)	-
Town manager search.....	-	7,835	-	860	30,641	39,330	7,639	-	-	7,639	-	(604)	-
Town manager retirement dinner.....	-	-	-	-	-	-	22,056	-	-	22,056	-	(8,585)	-
TVCCA senior nutrition.....	-	-	-	-	-	-	-	-	-	-	-	-	860
VNA east programs.....	-	4,323	-	-	-	4,323	-	7,505	-	7,505	-	(2,357)	(5,539)
Wellness center program.....	-	13,535	-	254	-	13,789	-	12,111	-	12,111	-	3,658	5,336
Year 2004 property revaluation.....	-	-	-	-	-	-	14,050	-	-	14,050	-	(50,980)	(65,030)
Youth leadership grant.....	-	-	-	2,830	-	2,830	-	-	2,091	2,091	-	-	739
Youth services special needs.....	-	-	709	-	-	709	-	100	-	100	-	1,475	2,084
<b>TOTAL.....</b>	<b>\$ 328,784</b>	<b>\$ 239,080</b>	<b>\$ 67,369</b>	<b>\$ 72,572</b>	<b>\$ 96,546</b>	<b>\$ 804,351</b>	<b>\$ 52,797</b>	<b>\$ 44,473</b>	<b>\$ 258,145</b>	<b>\$ 374,387</b>	<b>\$ 729,802</b>	<b>\$ 222,135</b>	<b>\$ 296,684</b>

(Concluded)

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## Internal Service Funds

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

### Health Insurance Fund

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

### Workers' Compensation Insurance Fund

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

### Management Services Fund

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

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF NET ASSETS  
 JUNE 30, 2007

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<u>ASSETS</u>				
Current assets:				
Investments.....	\$ 1,073,447	\$	\$ 299,357	\$ 1,372,804
Accounts receivable.....	141,606		5,862	147,468
Due from other funds.....	19,023			19,023
Other.....			29,561	29,561
Total current assets.....	1,234,076	-	334,780	1,568,856
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....			145,649	145,649
Construction in progress.....			204,326	204,326
Land improvements.....			241,282	241,282
Buildings.....			136,380	136,380
Office equipment.....			512,919	512,919
Total noncurrent assets.....	-	-	1,240,556	1,240,556
TOTAL ASSETS.....	1,234,076	-	1,575,336	2,809,412
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....			39,705	39,705
Accrued claims payable.....	526,290			526,290
Due to other funds.....	75,700	1,596	1,913	79,209
TOTAL LIABILITIES.....	601,990	1,596	41,618	645,204
<u>NET ASSETS</u>				
Invested in capital assets.....			1,240,556	1,240,556
Unrestricted.....	632,086	(1,596)	293,162	923,652
TOTAL NET ASSETS.....	\$ 632,086	\$ (1,596)	\$ 1,533,718	\$ 2,164,208

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2007

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<b>OPERATING REVENUES:</b>				
Premiums.....	\$ 5,769,722	\$ 378,160	\$	\$ 6,147,882
Charges for services.....			423,222	423,222
Sales.....			224,807	224,807
Rental income.....			180,564	180,564
Other.....			102,551	102,551
<b>TOTAL OPERATING REVENUES.....</b>	<b>5,769,722</b>	<b>378,160</b>	<b>931,144</b>	<b>7,079,026</b>
<b>OPERATING EXPENSES:</b>				
Wages and fringe benefits.....	78,244		138,083	216,327
Administration.....	637,175			637,175
Medical claims.....	5,479,427			5,479,427
Workers' compensation.....		382,747		382,747
Repairs & maintenance.....			365,326	365,326
Supplies, materials & rentals.....	100,762		222,185	322,947
Software & related communication costs.....	20,000		137,642	157,642
Utilities.....			118,810	118,810
Depreciation.....			165,018	165,018
<b>TOTAL OPERATING EXPENSES.....</b>	<b>6,315,608</b>	<b>382,747</b>	<b>1,147,064</b>	<b>7,845,419</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(545,886)</b>	<b>(4,587)</b>	<b>(215,920)</b>	<b>(766,393)</b>
<b>NONOPERATING REVENUES:</b>				
Investment income.....	71,917			71,917
<b>INCOME (LOSS) BEFORE TRANSFERS.....</b>	<b>(473,969)</b>	<b>(4,587)</b>	<b>(215,920)</b>	<b>(694,476)</b>
<b>TRANSFERS IN.....</b>			<b>200,000</b>	<b>200,000</b>
<b>TRANSFERS OUT.....</b>			<b>(15,000)</b>	<b>(15,000)</b>
<b>CHANGES IN NET ASSETS.....</b>	<b>(473,969)</b>	<b>(4,587)</b>	<b>(30,920)</b>	<b>(509,476)</b>
<b>TOTAL NET ASSETS - JULY 1, 2006.....</b>	<b>1,106,055</b>	<b>2,991</b>	<b>1,564,638</b>	<b>2,673,684</b>
<b>TOTAL NET ASSETS - JUNE 30, 2007.....</b>	<b>\$ 632,086</b>	<b>\$ (1,596)</b>	<b>\$ 1,533,718</b>	<b>\$ 2,164,208</b>

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers.....	\$	\$	\$ 951,520	\$ 951,520
Premiums received.....	5,770,457	378,160		6,148,617
Payments to vendors.....	(466,419)	(381,151)	(866,822)	(1,714,392)
Payments for claims.....	(5,433,137)			(5,433,137)
Payments to employees.....	(78,244)		(138,083)	(216,327)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>(207,343)</b>	<b>(2,991)</b>	<b>(53,385)</b>	<b>(263,719)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Net transfers from other funds.....			185,000	185,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets.....			(363,347)	(363,347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Income from investments.....	71,917			71,917
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>(135,426)</b>	<b>(2,991)</b>	<b>(231,732)</b>	<b>(370,149)</b>
CASH AND CASH EQUIVALENTS - JULY 1, 2006.....	1,208,873	2,991	531,089	1,742,953
CASH AND CASH EQUIVALENTS - JUNE 30, 2007.....	\$ 1,073,447	\$ -	\$ 299,357	\$ 1,372,804
<b>RECONCILIATION TO BALANCE SHEET CASH:</b>				
Cash and cash equivalents per above.....	\$ 1,073,447	\$	\$ 299,357	\$ 1,372,804
Cash and cash equivalents reported as investments.....	(1,073,447)		(299,357)	(1,372,804)
<b>BALANCE SHEET CASH.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (545,886)	\$ (4,587)	\$ (215,920)	\$ (766,393)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>				
Depreciation.....			165,018	165,018
<b>(Increase) decrease in:</b>				
Accounts receivable.....	735		20,376	21,111
Due from other funds.....	215,832		2,252	218,084
Other.....			(6,478)	(6,478)
<b>Increase (decrease) in:</b>				
Accounts payable.....	(14)		(16,655)	(16,669)
Accrued claims payable.....	46,290			46,290
Due to other funds.....	75,700	1,596	(1,978)	75,318
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>\$ (207,343)</b>	<b>\$ (2,991)</b>	<b>\$ (53,385)</b>	<b>\$ (263,719)</b>

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# Fiduciary Funds

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

## Postemployment Healthcare Trust Fund

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

## **AGENCY FUNDS**

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

## Student Activities Fund

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

## Celeron Square, Eastbrook Heights, Courtyard Associates, Ledgebrook, Holinko Estates, Freedom Green, Valley View, and ING US Students No. 8 LLC 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, 2007

	BALANCE JULY 1, 2006	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2007
<u>ASSETS</u>				
CASH:				
Student activities fund.....	\$ 51,080	\$ 144,668	\$ 146,809	\$ 48,939
INVESTMENTS:				
Celeron square sewer fund.....	105,129	9,551		114,680
Eastbrook heights sewer fund.....	107,993	9,295		117,288
Courtyard associates sewer fund.....	54,542	4,579		59,121
Ledgebrook sewer fund.....	65,548	6,225		71,773
Holinko estates sewer fund.....	22,800	1,925	2,495	22,230
Freedom green sewer fund.....	14,730	5,423		20,153
Valley view sewer fund.....	3,843	210		4,053
ING US students No. 8 LLC sewer.....	24,326	20,270		44,596
Dependent care fund.....	11,349	33,995	36,320	9,024
Uninsured medical costs fund.....	9,597	53,918	57,657	5,858
Mid-Neroc operating fund.....	135,985	30,714	49,511	117,188
Mansfield downtown partnership.....	74,636	143,631	196,807	21,460
TOTAL INVESTMENTS.....	630,478	319,736	342,790	607,424
ACCOUNTS RECEIVABLE:				
Dependent care fund.....	50			50
Uninsured medical costs fund.....	3,818	58,928	53,679	9,067
Mid-Neroc operating fund.....	1,472	16,199	1,472	16,199
Mansfield downtown partnership.....	900			900
TOTAL ACCOUNTS RECEIVABLE.....	6,240	75,127	55,151	26,216
DUE FROM OTHER FUNDS:				
Performance bonds.....	522,409	57,175	121,094	458,490
TOTAL ASSETS.....	\$ 1,210,207	\$ 596,706	\$ 665,844	\$ 1,141,069
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Student activities fund.....	\$ 51,080	\$ 144,668	\$ 146,809	\$ 48,939
Performance bonds.....	522,409	57,175	121,094	458,490
Celeron square sewer fund.....	105,129	9,551		114,680
Eastbrook heights sewer fund.....	107,993	9,295		117,288
Courtyard associates sewer fund.....	54,542	4,579		59,121
Ledgebrook sewer fund.....	65,548	6,225		71,773
Holinko estates sewer fund.....	22,800	1,925	2,495	22,230
Freedom green sewer fund.....	14,730	5,423		20,153
Valley view sewer fund.....	3,843	210		4,053
ING US students No. 8 LLC sewer.....	24,326	20,270		44,596
Dependent care fund.....	11,399	33,995	36,320	9,074
Uninsured medical costs fund.....	13,415	112,846	111,336	14,925
Mid-Neroc operating fund.....	137,457	46,913	50,983	133,387
Mansfield downtown partnership.....	75,171	143,278	196,442	22,007
TOTAL ACCOUNTS PAYABLE.....	1,209,842	596,353	665,479	1,140,716
DUE TO OTHER FUNDS:				
Mansfield downtown partnership.....	365	353	365	353
TOTAL LIABILITIES.....	\$ 1,210,207	\$ 596,706	\$ 665,844	\$ 1,141,069

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# Component Unit

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TOWN OF MANSFIELD, CONNECTICUT

COMPONENT UNIT  
BALANCE SHEET  
JUNE 30, 2007

MANSFIELD  
DISCOVERY  
DEPOT, INC.

ASSETS

Cash.....	\$	200
Investments.....		<u>296,800</u>
TOTAL ASSETS.....		<u><u>297,000</u></u>

LIABILITIES

LIABILITIES:

Accounts and other payables.....	\$	5,544
Accrued liabilities.....		<u>11,469</u>
TOTAL LIABILITIES.....		<u>17,013</u>

NET ASSETS

Unreserved and undesignated.....		<u>279,987</u>
TOTAL LIABILITIES AND NET ASSETS.....	\$	<u><u>297,000</u></u>

**TOWN OF MANSFIELD, CONNECTICUT**

COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

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	MANSFIELD DISCOVERY DEPOT, INC.
REVENUES:	
Intergovernmental.....	\$ 284,227
Charges for services.....	881,618
	<hr/>
TOTAL REVENUES.....	1,165,845
	<hr/>
EXPENDITURES:	
Personnel services.....	974,526
Repairs and maintenance.....	39,793
Contracted services.....	14,718
Program supplies.....	44,576
Other supplies.....	6,543
Utilities.....	39,562
Insurance.....	5,156
	<hr/>
TOTAL EXPENDITURES.....	1,124,874
	<hr/>
NET CHANGE IN NET ASSETS.....	40,971
NET ASSETS - JULY 1, 2006.....	239,016
	<hr/>
NET ASSETS - JUNE 30, 2007.....	\$ 279,987
	<hr/>

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

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TOWN OF MANSEFIELD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2007

FUNCTION AND ACTIVITY	TOTAL	LAND AND LAND IMPROVEMENTS	CONSTRUCTION IN PROGRESS	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY, EQUIPMENT AND VEHICLES	INFRASTRUCTURE
<b>GENERAL GOVERNMENT:</b>							
General government.....	\$ 3,129,891	\$ 4,609	\$ 723,162	\$ 1,738,260	\$ 101,800	\$ 562,060	\$
Town manager.....	55,739					55,739	
Finance.....	52,063					52,063	
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>3,237,693</b>	<b>4,609</b>	<b>723,162</b>	<b>1,738,260</b>	<b>101,800</b>	<b>669,862</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>							
Civil defense.....	53,030					53,030	
Police protection.....	99,941					99,941	
Fire protection.....	906,662		778,275	37,200		91,187	
<b>TOTAL PUBLIC SAFETY.....</b>	<b>1,059,633</b>	<b>-</b>	<b>778,275</b>	<b>37,200</b>	<b>-</b>	<b>244,158</b>	<b>-</b>
<b>PUBLIC WORKS:</b>							
Public works.....	53,134,560	262,060	1,351,362	553,780	155,432	3,175,017	47,636,909
Building maintenance.....	63,787	225				63,562	
<b>TOTAL PUBLIC WORKS.....</b>	<b>53,198,347</b>	<b>262,285</b>	<b>1,351,362</b>	<b>553,780</b>	<b>155,432</b>	<b>3,238,579</b>	<b>47,636,909</b>
<b>COMMUNITY SERVICES:</b>							
Social services.....	664,355	12,496		625,405	6,600	19,854	
Library services.....	2,787,128	433		2,781,695		5,000	
Recreation.....	11,720,172	2,899,487	617,687	8,033,375		169,623	
Daycare.....	1,861,909			1,801,232		60,677	
<b>TOTAL COMMUNITY SERVICES.....</b>	<b>17,033,564</b>	<b>2,912,416</b>	<b>617,687</b>	<b>13,241,707</b>	<b>6,600</b>	<b>255,154</b>	<b>-</b>
<b>EDUCATION.....</b>	<b>20,265,323</b>	<b>1,603,459</b>	<b>969,540</b>	<b>17,188,988</b>	<b>119,007</b>	<b>384,329</b>	<b>-</b>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 94,794,560</b>	<b>\$ 4,782,769</b>	<b>\$ 4,440,026</b>	<b>\$ 32,759,935</b>	<b>\$ 382,839</b>	<b>\$ 4,792,082</b>	<b>\$ 47,636,909</b>

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

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2007

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<b>GENERAL GOVERNMENT:</b>				
General government.....	\$ 2,880,503	\$ 249,388	\$	\$ 3,129,891
Town manager.....	37,738	18,001		55,739
Finance.....	52,063			52,063
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>2,970,304</b>	<b>267,389</b>	<b>-</b>	<b>3,237,693</b>
<b>PUBLIC SAFETY:</b>				
Civil defense.....	53,030			53,030
Police protection.....	125,556		25,615	99,941
Fire protection.....	874,533	32,129		906,662
<b>TOTAL PUBLIC SAFETY.....</b>	<b>1,053,119</b>	<b>32,129</b>	<b>25,615</b>	<b>1,059,633</b>
<b>PUBLIC WORKS:</b>				
Public works.....	52,471,129	663,431		53,134,560
Building maintenance.....	56,292	7,495		63,787
<b>TOTAL PUBLIC WORKS.....</b>	<b>52,527,421</b>	<b>670,926</b>	<b>-</b>	<b>53,198,347</b>
<b>COMMUNITY SERVICES:</b>				
Social services.....	664,355			664,355
Library services.....	2,787,128			2,787,128
Recreation.....	11,632,742	87,430		11,720,172
Daycare.....	1,861,909			1,861,909
<b>TOTAL COMMUNITY SERVICES.....</b>	<b>16,946,134</b>	<b>87,430</b>	<b>-</b>	<b>17,033,564</b>
<b>EDUCATION.....</b>	<b>19,590,312</b>	<b>675,011</b>		<b>20,265,323</b>
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 93,087,290</b>	<b>\$ 1,732,885</b>	<b>\$ 25,615</b>	<b>\$ 94,794,560</b>

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

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# Statistical Tables

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

## CONTENTS

### FINANCIAL TRENDS (TABLES 1 - 4)

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

### REVENUE CAPACITY (TABLES 5 - 8)

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

### DEBT CAPACITY (TABLES 9 - 12)

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

### DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 13 - 15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

### OPERATING INFORMATION (TABLES 16 - 17)

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**TABLE 1**

**TOWN OF MANSFIELD, CONNECTICUT**

NET ASSETS BY COMPONENT  
LAST FIVE YEARS  
(UNAUDITED)

	FISCAL YEAR				
	2007	2006	2005	2004	2003
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt.....	\$ 64,693,077	\$ 63,774,998	\$ 62,880,466	\$ 61,779,841	\$ 59,852,708
Restricted.....	639,171	516,156	3,612,577	840,920	2,809,552
Unrestricted.....	2,797,281	4,123,470	476,846	2,650,673	4,324,326
<b>Total Governmental activities net assets.....</b>	<b>68,129,529</b>	<b>68,414,624</b>	<b>66,969,889</b>	<b>65,271,434</b>	<b>66,986,586</b>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt.....	832,081	817,198	871,322	925,951	851,464
Unrestricted.....	336,380	336,432	301,106	416,974	473,154
<b>Total Business-type activities net assets.....</b>	<b>1,168,461</b>	<b>1,153,630</b>	<b>1,172,428</b>	<b>1,342,925</b>	<b>1,324,618</b>
<b>Total Net Assets:</b>					
Invested in capital assets, net of related debt.....	65,525,158	64,592,196	63,751,788	62,705,792	60,704,172
Restricted.....	639,171	516,156	3,612,577	840,920	2,809,552
Unrestricted.....	3,133,661	4,459,902	777,952	3,067,647	4,797,480
<b>Total Net Assets.....</b>	<b>\$ 69,297,990</b>	<b>\$ 69,568,254</b>	<b>\$ 68,142,317</b>	<b>\$ 66,614,359</b>	<b>\$ 68,311,204</b>

NOTE: Table presents data since implementation of GASB 34

**TABLE 2**  
**(1 of 2)**

**TOWN OF MANSFIELD, CONNECTICUT**

CHANGES IN NET ASSETS  
LAST FIVE YEARS  
(UNAUDITED)

	FISCAL YEAR				
	2007	2006	2005	2004	2003
<b>EXPENSES:</b>					
Governmental activities:					
General government.....	\$ 2,457,128	\$ 2,536,868	\$ 2,538,107	\$ 2,417,854	\$ 2,626,803
Public safety.....	3,042,626	2,838,970	2,775,110	2,678,808	2,670,346
Public works.....	4,998,186	4,335,002	3,698,504	3,680,017	3,950,774
Community services.....	4,719,147	4,465,428	4,886,361	4,412,130	2,681,113
Community development.....	558,720	454,273	328,078	303,910	290,611
Education.....	30,724,185	29,003,912	26,431,915	26,897,222	24,757,645
Interest expense.....	197,044	236,932	282,086	276,633	413,621
Total Governmental activities expenses.....	46,697,036	43,871,385	40,940,161	40,666,574	37,390,913
Business-type activities:					
Sewer Operating.....	213,732	162,587	153,202	152,480	166,831
Solid Waste Disposal.....	989,790	992,637	1,264,101	1,108,927	1,138,943
Total Business-type activities expenses.....	1,203,522	1,155,224	1,417,303	1,261,407	1,305,774
<b>TOTAL EXPENSES.....</b>	<b>47,900,558</b>	<b>45,026,609</b>	<b>42,357,464</b>	<b>41,927,981</b>	<b>38,696,687</b>
<b>PROGRAM REVENUES:</b>					
Governmental activities:					
Charges for services:					
General government.....	490,052	461,599	503,446	389,686	341,010
Public safety.....	59,531	67,067	224,262	179,162	24,040
Public works.....	675,113	596,219	753,717	518,020	538,157
Community services.....	1,855,651	1,824,775	1,722,586	1,466,428	481,356
Community development.....	32,059	88,093	151,635	28,346	17,888
Education.....	676,530	702,052	710,322	595,847	627,731
Operating grants and contributions.....	11,415,580	11,352,684	10,706,110	10,954,571	10,803,991
Capital grants and contributions.....	1,025,360	844,541	1,185,813	400,318	1,226,399
Total Governmental activities program revenues.....	16,229,876	15,937,030	15,957,891	14,532,378	14,060,572

(Continued)

TABLE 2  
(2 of 2)

TOWN OF MANSFIELD, CONNECTICUT

CHANGES IN NET ASSETS  
LAST FIVE YEARS  
(UNAUDITED)

	FISCAL YEAR				
	2007	2006	2005	2004	2003
Business-type activities:					
Charges for services:					
Sewer Operating.....	\$ 196,000	\$ 190,000	\$ 178,000	\$ 178,000	\$ 178,000
Solid Waste Disposal.....	1,019,103	944,101	994,830	1,064,008	1,101,497
Operating grants and contributions.....			191,819	33,181	
Total Business-type activities program revenues.....	1,215,103	1,134,101	1,364,649	1,275,189	1,279,497
TOTAL PROGRAM REVENUES.....	17,444,979	17,071,131	17,322,540	15,807,567	15,340,069
NET (EXPENSE) REVENUE:					
Governmental activities.....	(30,467,160)	(27,934,355)	(24,982,270)	(26,134,196)	(23,330,341)
Business-type activities.....	11,581	(21,123)	(52,654)	13,782	(26,277)
TOTAL NET EXPENSE.....	(30,455,579)	(27,955,478)	(25,034,924)	(26,120,414)	(23,356,618)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:					
Governmental activities:					
General revenues:					
Property taxes.....	20,560,377	19,421,660	18,524,910	17,559,957	15,779,448
Grants and contributions not restricted to specific programs.....	8,665,335	9,244,886	7,756,083	6,582,212	6,769,550
Investment income.....	772,761	571,794	312,972	176,649	291,935
Miscellaneous.....	183,592	140,750	86,760	100,226	37,318
Gain on sale of capital assets.....					3,031
Transfers.....					(10,000)
TOTAL GOVERNMENTAL ACTIVITIES.....	30,182,065	29,379,090	26,680,725	24,419,044	22,871,282
Business-type activities:					
Miscellaneous.....	3,250	2,325	2,157	4,525	5,544
Transfers.....					10,000
TOTAL BUSINESS-TYPE ACTIVITIES.....	3,250	2,325	2,157	4,525	15,544
TOTAL.....	30,185,315	29,381,415	26,682,882	24,423,569	22,886,826
CHANGE IN NET ASSETS:					
Governmental activities.....	(285,095)	1,444,735	1,698,455	(1,715,152)	(459,059)
Business-type activities.....	14,831	(18,795)	(50,497)	18,307	(10,733)
TOTAL.....	(270,264)	1,425,937	1,647,958	(1,696,845)	(469,792)

(Concluded)

NOTE: Table presents data since implementation of GASB 34

TABLE 3

TOWN OF MANSEFIELD, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
GENERAL FUND:										
Reserved.....	\$ 126,765	\$ 71,936	\$ 88,601	\$ 97,429	\$ 164,300	\$ 64,998	\$ 205,274	\$ 190,748	\$ 172,369	\$ 176,425
Unreserved:										
Designated.....										
Undesignated.....	1,769,124	1,661,693	1,568,102	1,016,080	995,185	1,291,159	400,000	500,000	1,353,980	400,000
Total unreserved.....	1,769,124	1,661,693	1,568,102	1,016,080	995,185	1,291,159	1,632,955	2,174,178	3,111,464	2,203,064
TOTAL GENERAL FUND.....	1,895,889	1,733,629	1,656,703	1,113,509	1,159,485	1,356,157	1,838,229	2,364,926	3,283,833	2,379,489
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved:										
Encumbrances.....			2,864,726							
Commitments.....	292,651	24,216	153,701	45,154	1,375,889	6,141,907	1,213,345	6,461	8,074	8,074
Debt Service.....	59	71,079	136,939	321,859	899,010	1,166,975	448,090	428,972	400,317	373,735
Perpetual Care.....	344,492	346,991	366,679	374,568	368,443	480,567	1,910	1,910	1,910	1,910
Endowments.....	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910
Unreserved reported in:										
Special Revenue funds.....	498,856	783,282	990,791	999,486	738,321	972,842	698,368	496,025	1,012,211	2,160,728
Capital funds.....	966,447	1,357,175	(1,147,188)	2,012,138	2,833,952	2,597,125	8,277,093	7,076,400	4,972,121	1,566,565
Debt Service.....	-440,466	(53,199)	(56,518)	(45,562)	(52)	(993)	85,026	(319,877)	7,184	(4,762)
Permanent funds.....	59	24	21					130,858	138,295	109,009
TOTAL ALL OTHER GOVERNMENTAL FUNDS.....	1,664,018	2,529,478	3,311,061	3,709,553	6,217,473	11,360,333	10,723,832	7,820,749	6,540,112	4,215,259
GRAND TOTAL.....	\$ 3,559,907	\$ 4,263,107	\$ 4,967,764	\$ 4,823,062	\$ 7,376,958	\$ 12,716,490	\$ 12,562,061	\$ 10,185,675	\$ 9,823,945	\$ 6,594,748

TABLE 4

TOWN OF MANSFIELD, CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>REVENUES:</b>										
Property taxes.....	\$ 20,551,473	\$ 19,380,701	\$ 18,571,837	\$ 17,572,787	\$ 15,664,773	\$ 14,378,934	\$ 13,606,800	\$ 13,146,253	\$ 12,940,544	\$ 12,758,771
Ineovernmental.....	209,16,784	21,505,763	19,137,190	18,224,822	18,738,991	21,486,568	19,327,038	18,923,614	19,687,359	15,619,789
Investment income.....	700,844	534,578	297,757	132,779	257,971	427,067	952,471	855,128	838,511	540,803
Charges for services.....	3,853,672	3,700,284	3,981,026	3,069,647	2,029,073	2,118,079	1,912,199	1,824,974		
Net increase in fair value of investments.....			4,622	35,827	11,692	(22,692)	(72,424)	29,821		
Contributions.....	183,453	190,647	175,203	97,976	105,431	878,344	970,341	808,584	2,590,345	2,511,968
Other.....	81,041	35,662	75,176	100,226	37,318					
<b>TOTAL REVENUES.....</b>	<b>46,287,267</b>	<b>45,147,635</b>	<b>42,242,811</b>	<b>39,234,064</b>	<b>36,845,249</b>	<b>39,266,300</b>	<b>36,696,425</b>	<b>35,588,374</b>	<b>36,056,759</b>	<b>31,431,331</b>
<b>EXPENDITURES:</b>										
<b>Current:</b>										
General government.....	1,830,252	1,445,792	1,521,750	1,845,607	1,286,911	1,277,192	1,314,339	1,326,680	1,446,574	1,121,996
Public safety.....	2,561,450	2,423,765	2,357,210	2,254,756	2,151,905	2,005,992	1,876,690	1,786,303	1,721,669	1,631,023
Public works.....	2,896,753	2,678,305	2,351,884	2,161,940	2,220,348	2,218,145	2,174,298	2,058,451	2,194,974	1,888,637
Community services.....	3,804,230	3,637,669	3,756,881	3,743,304	3,245,672	3,018,442	2,663,224	2,673,048	2,610,796	2,504,118
Community development.....	462,318	399,712	243,000	263,668	246,660	220,923	220,923	198,440	193,341	191,744
Townwide expenditures.....	2,124,445	2,647,899	1,772,149	1,412,413	1,197,749	1,138,538	992,433	1,404,529	1,001,671	932,208
Education.....	29,991,931	29,086,170	26,478,820	25,252,840	23,942,177	23,399,844	22,121,989	20,539,342	19,280,465	17,838,073
Debt service:										
Principal.....	805,000	830,000	980,000	1,065,000	950,000	865,000	880,689	710,689	741,689	743,839
Interest.....	176,482	216,239	261,507	309,970	398,975	447,352	392,723	479,003	582,869	417,489
Capital outlay.....	2,152,606	2,250,753	2,003,430	3,329,842	7,029,215	4,277,474	4,624,563	3,266,691	5,400,252	3,679,051
<b>TOTAL EXPENDITURES.....</b>	<b>46,805,467</b>	<b>45,616,304</b>	<b>41,726,631</b>	<b>41,639,340</b>	<b>41,669,612</b>	<b>38,858,329</b>	<b>37,265,871</b>	<b>34,443,176</b>	<b>35,174,300</b>	<b>30,948,178</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(518,200)</b>	<b>(468,669)</b>	<b>516,180</b>	<b>(2,405,276)</b>	<b>(4,824,363)</b>	<b>407,971</b>	<b>(569,446)</b>	<b>1,145,198</b>	<b>882,459</b>	<b>483,153</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Payment to refunded bond escrow agent.....				(4,155,124)						
Issuance of refunding bonds.....				4,255,000						
Bond premium.....				13,504						
Sale of capital assets.....				10,000						
Transfers in.....	2,062,430	2,085,132	2,129,419	2,183,664	3,415,942	4,456,305	4,213,560	5,149,626	4,447,814	2,409,480
Transfers out.....	(2,247,430)	(2,321,120)	(2,500,897)	(2,445,664)	(3,602,942)	(4,656,305)	(4,413,560)	(5,309,626)	(4,447,814)	(2,550,310)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(185,000)</b>	<b>(235,988)</b>	<b>(371,478)</b>	<b>(148,620)</b>	<b>(176,000)</b>	<b>(200,000)</b>	<b>2,300,000</b>	<b>(160,000)</b>	<b>2,300,000</b>	<b>(140,850)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (703,200)</b>	<b>\$ (704,657)</b>	<b>\$ 144,702</b>	<b>\$ (2,553,896)</b>	<b>\$ (5,000,363)</b>	<b>\$ 207,971</b>	<b>\$ 1,730,554</b>	<b>\$ 985,198</b>	<b>\$ 3,182,459</b>	<b>\$ 342,323</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>	<b>2.20%</b>	<b>2.40%</b>	<b>3.13%</b>	<b>3.59%</b>	<b>3.89%</b>	<b>3.80%</b>	<b>3.90%</b>	<b>3.82%</b>	<b>4.45%</b>	<b>4.26%</b>

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,	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
1998	25.56	\$ 12,628,492	\$ 12,358,968	97.87%	\$ 269,524	\$ 12,628,492	100%	\$ -
1999	25.56	12,800,236	12,577,950	98.26%	222,286	12,800,236	100%	-
2000	25.56	13,053,176	12,845,242	98.41%	207,934	13,053,176	100%	-
2001	26.13	13,552,260	13,332,848	98.38%	219,143	13,551,991	100%	269
2002	26.35	14,333,193	14,136,410	98.63%	194,103	14,330,513	100%	2,680
2003	27.50	15,487,465	15,204,716	98.17%	276,219	15,480,935	100%	6,530
2004	29.94	17,404,974	17,140,287	98.48%	248,636	17,388,923	100%	16,051
2005	30.93	18,325,498	18,039,519	98.44%	248,608	18,288,127	100%	37,371
2006	22.01	19,182,873	18,918,210	98.62%	129,865	19,048,075	99%	134,798
2007	22.88	20,370,550	20,062,383	98.49%		20,062,383	98%	308,167

Source: Town audit reports.

TOWN OF MANSFIELD, CONNECTICUT

TAXABLE GRAND LIST  
LAST TEN YEARS  
(UNAUDITED)

GRAND LIST AS OF OCTOBER 1,*	RESIDENTIAL REAL ESTATE		UTILITIES COMMERCIAL AND INDUSTRIAL REAL PROPERTY		ALL LAND		PERSONAL PROPERTY		MOTOR VEHICLE**		GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST	TOTAL DIRECT RATE
	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT	PROPERTY	PERCENT				
1996	\$ 342,739,780	70%	\$ 73,491,425	15%	\$ 9,897,720	2%	\$ 17,251,459	4%	\$ 49,425,720	10%	\$ 492,806,104	\$ 2,599,686	\$ 490,206,418	25.56
1997	345,860,180	69%	74,042,470	15%	9,908,730	2%	18,064,828	4%	50,685,753	10%	498,561,961	2,840,947	495,721,014	25.56
1998	350,781,980	69%	74,462,330	15%	9,897,195	2%	18,734,640	4%	55,339,852	11%	509,215,997	3,330,471	505,885,526	25.56
1999	355,732,580	69%	74,608,010	14%	9,114,790	2%	18,961,001	4%	57,169,897	11%	515,586,278	3,359,497	512,226,781	26.13
2000	393,635,960	73%	62,007,250	11%	4,300,240	1%	19,819,353	4%	61,593,730	11%	541,356,533	3,609,393	537,747,140	26.35
2001	402,098,470	72%	67,035,210	12%	3,370,640	1%	23,498,820	4%	63,581,361	11%	559,584,501	3,937,436	555,647,065	27.50
2002	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	29.94
2003	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	30.93
2004	658,941,733	75%	106,028,890	12%	8,116,630	1%	32,199,575	4%	74,895,444	9%	880,182,272	5,186,612	874,995,660	22.01
2005	670,168,950	75%	107,835,200	12%	7,727,790	1%	33,853,075	4%	78,529,205	9%	898,114,220	5,844,410	892,269,810	22.88

\* Total after changes by Board of Tax Review.

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

TOWN OF MANSFIELD, CONNECTICUT

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

AS OF OCTOBER 1,	REAL ESTATE ASSESSED VALUATION	REAL ESTATE ESTIMATED TRUE VALUE	MOTOR VEHICLES ASSESSED VALUATION	PERSONAL PROPERTY ASSESSED VALUATION	TOTAL MOTOR VEHICLES AND PERSONAL PROPERTY ASSESSED VALUATION	TOTAL MOTOR VEHICLES AND PERSONAL PROPERTY ESTIMATED TRUE VALUE	TOTAL GROSS ASSESSED VALUATION	TOTAL EXEMPTIONS	TOTAL NET ASSESSED GRAND LIST *	TOTAL ESTIMATED TRUE VALUE	RATIO ASSESSED VALUE TO TRUE VALUE TOTAL **
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	108,798,425	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%
2004	773,087,253	1,104,410,361	74,895,444	32,199,575	107,095,019	152,992,884	880,182,272	5,186,612	874,995,660	1,257,403,245	69.6%
2005	785,731,940	1,122,474,200	78,529,205	33,853,075	112,382,280	218,561,263	898,114,220	5,844,410	892,269,810	1,341,035,463	66.5%

\* 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 PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

TAXPAYER	NATURE OF BUSINESS	GRAND LIST YEAR				RANK	ASSESSED VALUE	RANK	% OF TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	% OF TAXABLE GRAND LIST (1)
		2005		1996								
Connecticut Light & Power Co.	Public Utility	\$ 9,501,542	1	1.06%	\$ 4,828,760	2	0.99%					
U of C 242, LLC	Apartments	6,525,960	2	0.73%								
Celeron Square Associates	Apartments	6,496,280	3	0.73%	4,677,330	4	0.96%					
Mansfield-Eastbrook Dev Corp LLC	Eastbrook Mall	5,600,000	4	0.63%	10,052,530	1	2.05%					
New Samaritan Corp	Nursing Home	5,329,310	5	0.60%	4,475,700	5	0.91%					
Colonial BT, LLC	Apartments	5,141,430	6	0.58%	4,733,610	3	0.97%					
Glen Ridge Cooperative	Housing Co-Op	4,522,910	7	0.51%	2,192,700	10	0.45%					
Storrs Polo Run LTD Partnership	Apartments	3,956,470	8	0.44%								
Hayes-Kaufman Mansfield Assoc.	Shopping Plaza	3,713,920	9	0.42%	3,014,170	8	0.62%					
Jensen's Inc.	Mobile Home Park	3,400,250	10	0.38%								
Sanderson, Owen Mark	Apartments/Commercial				3,876,600	6	0.79%					
Federal Deposit Insurance Corp.	Renwood Condominiums				3,134,600	7	0.64%					
Mansfield Retirement Community	Elderly Housing				2,247,400	9	0.46%					
<b>TOTAL</b>		<b>\$ 54,188,072</b>		<b>6.08%</b>	<b>\$ 43,233,400</b>		<b>9.48%</b>					

Source: Town Assessor Department.

(1) Based on a Net Taxable Grand List for October 1, 2005 and October 1, 1996 of \$892,269,810 and \$489,232,228, respectively.

**TABLE 9****TOWN OF MANSFIELD, CONNECTICUT****RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS  
(UNAUDITED)**

<b>YEAR ENDED JUNE 30</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</b>	<b>PERCENTAGE OF PERSONAL INCOME</b>	<b>PER CAPITA</b>
1998	\$ 6,982,065	1.01%	N/A	\$ 361
1999	8,346,376	1.20%	N/A	417
2000	7,410,688	1.04%	N/A	358
2001	8,805,000	1.21%	N/A	419
2002	7,715,000	1.05%	N/A	351
2003	6,540,000	0.82%	0.53%	276
2004	5,780,000	0.69%	0.63%	231
2005	4,800,000	0.56%	0.84%	190
2006	3,970,000	0.32%	N/A	154
2007	3,165,000	0.24%	N/A	123

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

N/A- Information is not available.

**TABLE 10****TOWN OF MANSFIELD, CONNECTICUT**

COMPUTATION OF DIRECT AND OVERLAPPING INDEBTEDNESS  
 JUNE 30, 2007  
 (UNAUDITED)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO MANSFIELD	MANSFIELD SHARE OF DEBT
Town of Mansfield	\$ 3,165,000	100.00%	\$ 3,165,000
Regional School District No. 19	5,936,626 *	54.61%	<u>3,241,991</u>
Total direct and overlapping indebtedness			6,406,991
Less: School building grants			<u>(263,951)</u>
Net Direct and Overlapping Indebtedness			<u><u>\$ 6,143,040</u></u>

\* Debt is net of school grants receivable of \$13,743,374.

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
JUNE 30, 2007  
(UNAUDITED)

TOTAL TAX COLLECTIONS (including interest and lien fees) for the year ended June 30, 2007.....	\$ 20,389,850
REIMBURSEMENT FOR REVENUE LOSS: Tax relief for elderly freeze.....	1,840
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 20,391,690</u>

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 45,881,303	\$	\$	\$	\$
4 1/2 times base.....		91,762,605			
3 3/4 times base.....			76,468,838		
3 1/4 times base.....				66,272,993	
3 times base.....					61,175,070
TOTAL DEBT LIMITATION.....	<u>45,881,303</u>	<u>91,762,605</u>	<u>76,468,838</u>	<u>66,272,993</u>	<u>61,175,070</u>
INDEBTEDNESS:					
Bonds payable.....	2,155,000	1,010,000			
Town portion of Regional School District No. 19 bonds payable - net.....		3,241,991			
School building grants.....		(263,951)			
NET INDEBTEDNESS (1).....	<u>2,155,000</u>	<u>3,988,040</u>	-	-	-
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....	<u>\$ 43,726,303</u>	<u>\$ 87,774,565</u>	<u>\$ 76,468,838</u>	<u>\$ 66,272,993</u>	<u>\$ 61,175,070</u>

(1) The total of the above net indebtedness amounts to: \$ 6,143,040

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 142,741,830

**TABLE 12****TOWN OF MANSFIELD, CONNECTICUT****LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS**

<b>YEAR ENDED JUNE 30</b>	<b>DEBT LIMIT</b>	<b>NET DEBT APPLICABLE TO LIMIT</b>	<b>LEGAL DEBT MARGIN</b>	<b>TOTAL NET DEBT APPLICABLE</b>
1998	\$ 175,476,909	\$ 14,384,765	\$ 161,092,144	8%
1999	178,544,300	12,922,603	165,621,697	7%
2000	576,439,313	11,877,517	564,561,796	2%
2001	227,317,399	11,168,534	216,148,865	5%
2002	241,266,097	10,287,911	230,978,186	4%
2003	259,529,509	9,347,631	250,181,878	4%
2004	292,271,303	8,689,284	283,582,019	3%
2005	307,915,285	7,511,401	300,403,884	2%
2006	322,399,327	6,808,645	315,590,682	2%
2007	341,560,809	6,143,040	335,417,769	2%

**TABLE 13**

**TOWN OF MANSFIELD, CONNECTICUT**

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	PERSONAL INCOME	(2) PER CAPITA INCOME	(2) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
1998	19,350 *		\$ 26,856	22.5 *	N/A	1,958	1.9%
1999	20,000 *		27,500 (1)*	22.5 *	N/A	1,964	1.9%
2000	20,720 (3)		28,500 (1)*	22.5 *	N/A	2,004	1.3%
2001	21,000 *		29,500 (1)*	22 *	N/A	2,036	1.6%
2002	22,000 *		29,500 (1)*	22 *	N/A	2,048	2.1%
2003	23,700 *	34,861 (5)	29,000 (1)*	21.8 *	N/A	2,090	2.5%
2004	25,000 *	36,463 (5)	29,000 (1)*	21.6 *	N/A	2,031	3.4%
2005	25,200 *	40,254 (5)	30,000 (1)*	21.8 *	N/A	1,978	3.9%
2006	25,800 *		30,000 (1)*	21.8 *	N/A	1,996	3.8%
2007	25,700 *		30,000 (1)*	21.2 *	N/A	1,948	4.4%

\*Estimates (Includes University of Connecticut Students and Bergin Correctional Institute Inmates)

Data Sources

- (1) Mansfield Director of Planning
- (2) Town and Region School Officials
- (3) 2000 Census
- (4) Connecticut Department of Labor
- (5) <http://www.ctdol.state.ct.us/lmi/ces/nonfarm.htm>

**TABLE 14**

**TOWN OF MANSFIELD, CONNECTICUT**

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

EMPLOYER	2007		1998	
	EMPLOYEES	RANK	EMPLOYEES	RANK
University of Connecticut	4,469	1	N/A	1
Town of Mansfield	415	2	N/A	2
Regional School District #19	169	3	N/A	3
Bergin Correctional Institute	N/A	4	N/A	4
Natchaug Hospital, Inc.	N/A	5	N/A	5

NOTE: Total employment for Town is not available but the employees listed above account for in excess of 50% of the workforce.

SOURCE: Connecticut Economic Resource Center

N/A - Information not available

TABLE 15

TOWN OF MANSFIELD, CONNECTICUT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST FIVE YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	FULL -TIME EQUIVALENT EMPLOYEES AS OF JUNE 30				
	2007	2006	2005	2004	2003
GENERAL GOVERNMENT:					
Town Manager.....	4.0	4.0	4.0	4.0	4.0
Finance.....	16.4	16.4	16.4	16.4	15.4
Town Clerk.....	3.0	3.0	3.0	3.0	3.0
Registrars.....	2.0	2.0	2.0	2.0	2.0
PUBLIC SAFETY:					
POLICE					
Officers.....	10.4	10.4	9.3	10.7	10.3
Civilians.....	1.0	1.0	1.0	1.0	1.0
Animal control.....	2.3	2.2	2.2	2.2	2.0
FIRE					
Firefighters and officers.....	20.4	19.8	19.8	19.2	19.8
PUBLIC WORKS					
Engineering.....	3.0	3.0	3.0	3.0	3.1
Road services.....	12.0	12.0	12.0	12.0	12.0
Building.....	5.6	5.6	5.6	5.1	4.9
Maintenance.....	8.0	8.0	8.0	8.0	9.0
Other.....	10.9	10.9	8.3	8.3	7.7
COMMUNITY SERVICES:					
Recreation.....	14.9	45.1	44.0	44.8	4.0
Social services.....	3.0	3.0	3.0	3.0	3.0
Youth services.....	2.8	2.8	2.8	2.8	2.3
Senior services.....	4.1	4.1	4.1	3.6	4.0
Library administration.....	11.3	11.3	11.1	10.8	11.0
COMMUNITY DEVELOPMENT:					
Planning.....	3.5	3.5	3.5	3.5	3.2
Downtown partnership.....	1.7	1.7	1.7	1.0	1.0
EDUCATION					
Certified.....	145.6	144.7	141.9	143.7	144.4
Noncertified.....	123.0	119.4	111.1	119.4	111.2
TOTAL.....	408.9	433.9	417.8	427.5	378.3

SOURCE: Town Budget

Note: Information is not available prior to 2003

TOWN OF MANSFIELD, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST THREE YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30		
	2007	2006	2005
<b><u>GENERAL GOVERNMENT</u></b>			
<b>PUBLIC SAFETY</b>			
Fire:			
Emergency responses.....	1,610	1,682	
Fires extinguished.....	94	62	
Inspections.....	1,100	1,000	986
Police:			
Criminal investigations.....	578	715	
Motor vehicle accident investigations.....	425	636	
Motor vehicle citations.....	1,835	1,566	
Motor vehicle warnings.....	1,323	722	
<b>PUBLIC WORKS</b>			
Street resurfacing (miles).....	9.3	14.2	15.0
Building permits issued.....	415	392	352
<b>PARKS AND RECREATION</b>			
Community center visitations.....	238,141	211,804	
Programs.....	1,507	1,620	
<b>LIBRARY</b>			
Volumes in collection.....	80,000	80,000	
Total volumes borrowed.....	260,000	260,000	
<b>EDUCATION</b>			
Enrollment:			
High School.....	657	664	673
Middle School.....	594	606	621
Elementary Schools.....	707	726	684

SOURCES: Various Town Departments

Note: Information is not available prior to 2005

TABLE 17

TOWN OF MANSEFIELD, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>PUBLIC SAFETY:</b>										
Fire stations.....	3	3	3	3	3	3	3	3	3	3
Police department: Stations.....	1	1	1	1	1	1	1	1	1	1
Patrol units.....	4	4	4	4	4	4	4	4	4	4
<b>PUBLIC WORKS:</b>										
Highway department: Streets (miles).....	105	105	105	105	105	104	104	104	103	102
<b>COMMUNITY SERVICES:</b>										
Social services.....	1	1	1	1	1	1	1	1	1	1
Library services.....	1	1	1	1	1	1	1	1	1	1
Day care.....	1	1	1	1	1	1	1	1	1	1
Parks and recreation: Acreage.....	1,938	1,938	1,938	1,938	1,434	1,434	1,434	1,434	1,341	1,236
Baseball/softball diamonds.....	14	14	14	14	14	14	14	14	14	14
Soccer/football/field hockey fields.....	18	18	18	18	18	18	18	18	18	18
Community centers.....	1	1	1	1	1	1	1	1	1	1
<b>EDUCATION:</b>										
Number of Middle Schools.....	1	1	1	1	1	1	1	1	1	1
Number of Elementary Schools.....	3	3	3	3	3	3	3	3	3	3
<b>SEWER FUND</b>										
Sewer mains (miles).....	4	4	4	4	4	4	4	4	4	4
Pump stations.....	1	1	1	1	1	1	1	1	1	1
<b>SOURCES: Various Town Departments</b>										

NOTE: Indicators are not available for the General Government and Community Development functions.

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**Federal  
Single  
Audit**

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**TOWN OF MANSFIELD, CONNECTICUT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
Passed through State Department of Administrative Services:			
Food Donation.....	10.550		\$ 24,881
Passed through State Department of Education:			
School Breakfast Program.....	10.553		16,311
National School Lunch Program.....	10.555		126,654
Special Milk Program for Children.....	10.556		67
Child and Adult Care Food Program.....	10.558		24,975
Fresh Fruit and Vegetable Program.....	10.582	12060-22051-82079-2007	12,342
Passed through State Department of Environmental Protection:			
Rural Development, Forestry, and Communities.....	10.672		6,000
Direct Program:			
Wildlife Habitat Incentive Program.....	10.914		<u>7,547</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE.....			<u>218,777</u>
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
Direct Program:			
Recreation Resource Management.....	15.225		<u>2,491</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION:</u></b>			
Passed through State Department of Transportation:			
Highway Planning and Construction.....	20.205	77-198	34,967
Highway Planning and Construction.....	20.205		94,567
Highway Planning and Construction.....	20.205	77-209	20,389
State and Community Highway Safety.....	20.600		28,003
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants.....	20.601		<u>22,518</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION.....			<u>200,444</u>

(Continued)

**TOWN OF MANSFIELD, CONNECTICUT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
Passed through State Department of Education:			
Title I (ESEA) Local N & D.....	84.010	12060-20679-82070-2007-170002-SDE0000€	\$ 2,081
Title I Grants to Local Educational Agencies.....	84.010	12060-20679-82070-2007-170002	135,262
Title I Grants to Local Educational Agencies.....	84.010	12060-20679-82070-2006-170002	1,433
Special Education - Grants to States.....	84.027	12060-20977-82032-2007-170002	244,831
Special Education - Grants to States.....	84.027	12060-20977-82032-2006-170002	1,624
Special Education - Preschool Grants.....	84.173	12060-20983-82032-2007-170002	16,789
Special Education - Preschool Grants.....	84.173	12060-20983-82032-2006-170002	1,164
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2007-170002	1,564
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2006-170002	3,964
Innovative Education Program Strategies.....	84.298	12060-20909-84131-2007-170002	2,057
Innovative Education Program Strategies.....	84.298	12060-20909-84131-2006-170002	4,389
Education Technology State Grants.....	84.318	12060-20826-82079-2007-170002	479
Education Technology State Grants.....	84.318	12060-20826-82079-2006-170002	2,484
Improving Teacher Quality State Grants.....	84.367	12060-20858-84131-2007-170002	47,787
Improving Teacher Quality State Grants.....	84.367	12060-20858-84131-2007-170002	47,787
<b>TOTAL U.S. DEPARTMENT OF EDUCATION.....</b>			<b>465,908</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>			
Passed through State Department of Social Services:			
Social Services Block Grant.....	93.667		915
Passed through Northeast Communities Against Substance Abuse Inc.:			
Block Grants for Prevention and Treatment of Substance Abuse.....	93.959		3,400
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.....</b>			<b>4,315</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>			
Passed through State Office of Policy and Management:			
Public Assistance Grants.....	97.036		7,987
Passed through State Department of Military:			
Emergency Management Performance Grants.....	97.042		1,326
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....</b>			<b>9,313</b>
<b>TOTAL FEDERAL AWARDS.....</b>			<b>\$ 901,248</b>

(Concluded)

**TOWN OF MANSFIELD, CONNECTICUT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007

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**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 \$24,881 of USDA donated commodities under the Federal Food Distribution Program.

TOWN OF MANSFIELD, CONNECTICUT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

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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, 2007

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**I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  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 Circular A-133, Section .510(a)?  yes  no

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	
84.027 / 84.173	Special Education Cluster	\$ 264,408

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

Auditee qualified as low-risk auditee?  yes  no

**II - FINANCIAL STATEMENT FINDINGS**

None

**III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

There were no findings or questioned costs related to the Federal Awards program.



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

Town Council  
Town of Mansfield, Connecticut

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2007, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 21, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

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



Town of Mansfield, Connecticut  
Page Two

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Town in a separate letter dated December 21, 2007.

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

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
December 21, 2007



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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 its major federal programs for the year ended June 30, 2007. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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 its major federal programs for the year ended June 30, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Town's internal control over compliance.



Town of Mansfield, Connecticut  
Page Two

Internal Control Over Compliance (Continued)

A *control deficiency* in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Town's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component unit, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 21, 2007. 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, the 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  
December 21, 2007

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**State  
Single  
Audit**

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**TOWN OF MANSFIELD, CONNECTICUT**

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2007

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CT CORE NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<b><u>OFFICE OF POLICY AND MANAGEMENT:</u></b>			
Local Capital Improvement Program.....	12050-OPM20600-40254		\$ 177,378
Property Tax Relief for Disabled.....	11000-OPM20600-17011		1,030
Property Tax Relief for Elderly and Totally Disabled Homeowners.....	11000-OPM20600-17018		42,365
Property Tax Relief for Elderly Homeowners - Freeze Program.....	11000-OPM20600-17021		1,840
Property Tax Relief for Veterans.....	11000-OPM20600-17024		5,458
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles.....	11000-OPM20600-17031		3,664
Property Tax Relief.....	11000-OPM20600-17086		359,404
<b><u>STATE DEPARTMENT OF EDUCATION:</u></b>			
School Readiness - Severe Need Schools.....	11000-SDE64000-12113	11000-12113-82079-2007-170003	106,245
Child Nutrition Program (School Lunch State Match).....	11000-SDE64000-16072	11000-16072-82051-2007-170005	6,300
Healthy Foods Grant.....	11000-SDE64000-16072	11000-16072-82010-2007-170005	13,470
Nonpublic Health Services.....	11000-SDE64000-17034	11000-17034-82010-2007-170006	13,148
School Breakfast.....	11000-SDE64000-17046	11000-17046-82057-2007	3,000
School Breakfast.....	11000-SDE64000-17046	11000-17046-82058-2007	282
Youth Services Bureau.....	11000-SDE64000-17052	11000-17052-82079-2007-170002	16,341
<b><u>STATE DEPARTMENT OF TRANSPORTATION:</u></b>			
Town Aid Road Grants Transportation Fund.....	12001-DOT57000-17036		133,116
Local Bridge Program Transportation Fund.....	21010-DOT57000-42310		72,074
<b><u>CONNECTICUT STATE LIBRARY:</u></b>			
Arts Presentation Grants Program.....	11000-CAT45200-17067-64		480
State Grants to Public Libraries.....	11000-CSL66051-17003		2,321
Connecticard.....	11000-CSL66051-17010		16,530
Historical Preservation Grant.....	12060-CSL66091-35150		7,000
<b><u>STATE DEPARTMENT OF SOCIAL SERVICES:</u></b>			
Child Day Care (CDC).....	11000-DSS60000-17022		259,252
<b><u>STATE DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES:</u></b>			
Grants for Substance Abuse Services.....	11000-MHA53000-16003		37,500
<b><u>STATE DEPARTMENT OF ENVIRONMENTAL PROTECTION:</u></b>			
Municipal Outdoor Recreation Fund.....	12052-DEP43000-various		113,000
<b><u>OFFICE OF THE STATE COMPTROLLER:</u></b>			
Payment in Lieu of Taxes (PILOT) on State-Owned Property.....	11000-OSC15910-17004		7,620,956
Boat Grant.....	12027-OSC15910-40211		2,503
Mashantucket Pequot/Mohegan Fund.....	12009-OSC15910-17005		612,032
<b><u>JUDICIAL DEPARTMENT</u></b>			
Judicial Fines.....	39001-JUD95162-40001		7,897
Parking Fines.....	34001-JUD95162-40001		865
<b><u>BOARD OF EDUCATION &amp; SERVICES FOR THE BLIND</u></b>			
Services for the Blind.....	11000-ESB65020-12060		2,978
<b><u>STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:</u></b>			
Payment in Lieu of Taxes (PILOT).....	11000-ECD46400-17012-039		13,592
Small Town Economic Assistance Program (STEAP).....	12052-ECD46000-42411-075		200,185
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....			<u>9,852,206</u>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2007

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CT CORE NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>EXEMPT PROGRAMS:</u>			
<u>STATE DEPARTMENT OF EDUCATION:</u>			
Public School Transportation.....	11000-SDE64000-17027	11000-17027-82010-2007-170005	\$ 265,653
Education Cost Sharing.....	11000-SDE64000-17041	11000-17041-82010-2006-170002	8,804,733
Special Education - Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82016-2007	28,963
Special Education - Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82018-2006	68,904
Special Education - Excess Cost Equity.....	11000-SDE64000-17048	11000-17048-82015-2007	105,800
School Construction Projects - Principal .....	13010-SDE64000-40901	13010-40901-82003-2007-170001	262,724
School Construction Projects - Interest.....	13009-SDE64000-40896	13009-40896-82004-2007-170063	32,738
TOTAL EXEMPT PROGRAMS.....			<u>9,569,515</u>
TOTAL STATE FINANCIAL ASSISTANCE.....			<u>\$ 19,421,721</u>

(Concluded)

**TOWN OF MANSFIELD, CONNECTICUT**

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2007

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Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Mansfield through grants and other authorization in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the Office of Policy and Management, the State Department of Education, the State Department of Transportation, the Connecticut State Library, the State Department of Social Services, the Office of the State Comptroller, the Judicial Department, the Board of Education & Services for the Blind, and the State Department of Economic and Community Development.

**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 4-236-22), 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, 2007**

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**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, 2007

**I. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified that are 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

Significant deficiency(ies) identified that are 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 Core CT Number</u>	<u>Expenditures</u>
OFFICE OF POLICY AND MANAGEMENT:		
Local Capital Improvement Program.....	12050-OPM20600-40254	\$ 177,378
Property Tax Relief.....	11000-OPM20600-17086	359,404
STATE DEPARTMENT OF EDUCATION:		
School Readiness - Severe Need Schools .....	11000-SDE64000-12113	106,245
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants Transportation Fund.....	12001-DOT57000-17036	133,116
DEPARTMENT OF SOCIAL SERVICES:		
Child Day Care (CDC).....	11000-DSS60000-17022	259,252
DEPARTMENT OF ENVIRONMENTAL PROTECTION:		
Municipal Outdoor Recreation Grant.....	12052-DEP43000-	113,000
OFFICE OF THE STATE COMPTROLLER:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property .....	11000-OSC15910-17004	7,620,956
Mashantucket Pequot/Mohegan Fund .....	12009-OSC15910-17005	612,032
STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Small Town Economic Assistance Program (STEAP)....	12052-ECD46000-42411-075	200,185

**TOWN OF MANSFIELD, CONNECTICUT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

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**II. FINANCIAL STATEMENTS FINDINGS**

- We issued our report dated December 21, 2007, 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 significant deficiencies.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

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



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

Town Council  
Town of Mansfield, Connecticut

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2007, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 21, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

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



Town of Mansfield, Connecticut  
Page Two

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Town in a separate letter dated December 21, 2007.

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

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
December 21, 2007



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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 THE STATE SINGLE AUDIT ACT

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, 2007. The major state programs are identified in the summary of auditors' 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'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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.



Town of Mansfield, Connecticut  
Page Two

Internal Control Over Compliance (Continued)

A *control deficiency* in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Town's internal control.

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

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component unit, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 21, 2007. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Town Council, 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  
December 21, 2007