

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**of the**

**REGIONAL SCHOOL DISTRICT NO. 19  
EDWIN O. SMITH HIGH SCHOOL  
STORRS, CONNECTICUT**

**FOR THE YEAR ENDED**

**JUNE 30, 2006**

**PREPARED BY:  
THE FINANCE DEPARTMENT**

**JEFFREY H. SMITH, SCHOOL BUSINESS MANAGER**

**REGIONAL SCHOOL DISTRICT NO. 19**

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006  
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# Introductory Section

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**REGION SCHOOL DISTRICT No. 19**

**EDWIN O. SMITH HIGH SCHOOL**

Ashford, Mansfield and Willington, CT

Bruce W. Silva  
Superintendent

1235 Storrs Road  
Storrs, CT 06268-2287  
860-487-1862  
Fax: 860-429-0085

December 8, 2006

To the Honorable Chairman and Members of the Board of Education, and  
Citizens of Regional District No. 19.

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 Regional School District No. 19 for the fiscal year ended June 30, 2006.

This report consists of management's representations concerning the finances of the Region. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Region 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 Region's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Region'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 Region'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 Region for the fiscal year ended June 30, 2006, 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 an unqualified opinion that the Region's financial statements for the fiscal year ended June 30, 2006, 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 Region was part of a broader, State mandated "Single Audit" designed to meet the special needs of State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state awards. These reports are available as part of this Comprehensive Annual Financial Report.

GAAP 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 the MD&A and should be read in conjunction with it. The Region's MD&A can be found immediately following the report of the independent auditors.

### **General Description - The Region**

The facilities and offices of Regional School District No. 19 are located east of Hartford, Connecticut, in the Town of Mansfield, Connecticut. The Region services the Towns of Ashford, Mansfield and Willington. Region administrative offices and school are located in Mansfield, where the Superintendent's office is located.

The Region's only school, E.O. Smith High School, was owned by the State of Connecticut and had been run by the University of Connecticut since its inception in 1958 through June 30, 1987. By Public Act 84-42, the State Legislature voted to relinquish the school to the Town of Mansfield or the Town of Ashford or both towns providing that one or both towns agreed to pay for the physical rehabilitation of the school. The Town of Willington subsequently joined the Region in 1993.

The University of Connecticut signed an agreement with Mansfield and Ashford which required the University to cause the State Treasurer to execute and deliver the deed to the school to the towns on July 1, 1987. When the State deeded the school, Mansfield and Ashford assumed the remaining indebtedness on the State's Bonds which were originally issued to finance the school.

Mansfield and Ashford voters agreed to the financing of the project which included the renovation of the school. Mansfield contributed seventy-five percent (75%) and Ashford contributed twenty-five percent (25%) of the total funding.

On February 11, 1986, the electorate of both towns voted to establish a new regional school district. On July 1, 1987, Regional School District No. 19 became the owner of the land and buildings of E.O. Smith High School, pursuant to the agreement. The organizational meeting of the Regional Board of Education was held on April 2, 1986. On November 2, 1993 the electors of Ashford, Mansfield and Willington voted to include the Town of Willington into the Region.

The Region presently serves all of the public school population within the member towns in Grades 9 through 12. A full range of educational opportunities is offered, including a vocational agriculture program. A \$31 million expansion and renovation of the school was completed in 2002, resulting in a modern attractive facility.

The annual budget serves as the foundation for the Regional School District No. 19's financial planning and control. It is the policy of the Board of Education to ask the Superintendent to direct the preparation of the budget and to submit it to the Board for its tentative approval and for later public hearing and approval. The Superintendent is asked to confer with the school staff on budgetary needs, as well as to consider priorities that have been determined by the Board.

The following deadlines pertaining to budget adoption are set by Connecticut law and Region Policy.

1. Prior to March 1, each department head or other agency as designated by the Superintendent submits budget requests accompanied by detailed estimates of expenditures to be made and, where appropriate, revenues to be collected during the ensuing fiscal year.
2. During March, the Superintendent presents to the Board of Education the revenue and expenditure detail for their consideration.

3. Not less than two weeks prior to the Annual Meeting, the Board must hold a public hearing on the proposed budget, at which time any person may recommend inclusion or deletion of expenditures.
4. After the public hearing, the Board shall prepare an annual budget for the next fiscal year and deliver a reasonable number of copies to each town clerk in the Region.
5. Each town clerk must receive copies of the proposed budget at least five days before the Annual Meeting of the Region, and make available other copies on request.
6. At the Annual Meeting of the Region, which is held on the first Monday in May, the Board shall present a budget which includes statements of (1) estimated receipts and expenditures for the next fiscal year, (2) estimated receipts and expenditures for the current fiscal year, (3) estimated surplus or deficit in operating funds at the end of the current fiscal year, (4) bonded or other debt, (5) estimated per pupil expenditure for the current and for the next fiscal year and (6) such other information as is necessary in the opinion of the Board.
7. Should the budget be rejected by a majority vote of the eligible voters of the Region present and voting at the Annual Meeting of the Region, the Board must, within two weeks thereafter, and upon notice of not less than one week, call another Region meeting to consider the same or a revised budget. Such meetings must be convened at such intervals until a budget is passed.
8. By action of the Board referenced in the call to the Annual Meeting of the Region, or by written petition submitted at least three days prior to the meeting of at least 200 voters eligible to vote in Region meetings, the vote on the budget shall be by paper ballot at the Annual Meeting, or at referendum on the voting machines in each member town on the day following the Annual Meeting.
9. After the budget is approved, the Board shall estimate the share of the net expense to be paid by each member town in accordance with Connecticut General Statutes Section 10-51, and notify the respective Town Treasurer thereof.
10. The level of control for all legally adopted budgets is at the department level, except that the Superintendent has the authority to make budgetary transfers up to \$1,000 between departments.
11. The Board does not have the authority to expend beyond the total budget appropriation without Region meeting approval.

### **General Description - Town of Ashford**

The Town of Ashford covers an area of 40.3 square miles and is located 32 miles east of Hartford and 45 miles west of Providence. To the north is Union, Eastford to the east, Willington to the west, and Mansfield and Chaplin to the south. The area was settled in approximately 1710 and incorporated as the forty-fourth town in October, 1714. The Town was probably named for Ashford in Kent, England.

The Town was originally part of the Wabbaquasset country conveyed to Major Fitch by Owaneco, the son of Uncas, chief of the Mohegans. The Town was the crossroads of the Old Connecticut Path, an old Indian trail over the hills near the headwaters of the streams where fording was a minor problem. The Town was not developed to any extent until state highways 44 and 84 were developed. Route 89 serves as a connector between routes 44 and 84.

### **General Description - Town of Ashford (Continued)**

The Town has two private nursery schools and the Ashford Elementary School (K-8). Grades 9-12 are served by the E.O. Smith High School (Regional School District No. 19) adjacent to the campus of the University of Connecticut in Mansfield. The Region provides transportation for students. For advanced education the Town is located near the University of Connecticut, as well as Eastern Connecticut State University in Willimantic, the Quinebaug Valley Community College in Danielson, and the Manchester Community College in Manchester.

The Town is organized under a Selectman, Board of Finance, Town Meeting form of government with the Town Meeting acting as the legislative body of the Town. The First Selectman is the chief executive officer of the Town and is responsible for municipal operations. The First Selectman and two other selectmen are elected for two year terms. The Board of Selectmen makes most appointments and fills most vacancies with the exception of the Board of Finance and Board of Education, which are elected offices.

### **General Description - Town of Mansfield**

The Town of Mansfield encompasses approximately 45.2 square miles. The Town is bounded on the east by Chaplin, on the north by Willington and Ashford, on the south by Windham, 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 is served by two major highways: the Middle Post Road and Turnpike (Route 44) and the Norwich-Tolland Turnpike (Route 195). Route 195 connects to the North with Interstate 84 for east-west access to Hartford and Boston.

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 Council is responsible for presenting the fiscal operating budgets to the Town Meeting for approval. The Board of Education is responsible for the operation of the elementary school system.

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

### **General Description - Town of Willington**

The Town of Willington encompasses approximately 34.8 square miles. The Town is bounded on the east by Ashford, on the north by Stafford and Union, on the south by Mansfield, on the west by Ellington and Tolland. The Town of Willington was first settled in 1717. In 1727, the Connecticut General Assembly granted a charter of incorporation to the Town of Willington.

The Town is served by five major highways: Interstate 84 and state routes 32, 44, 74 and 320.

The Town operates under the provisions of the General Statutes of the State of Connecticut. The Board of Selectmen, elected to two year terms, consists of three members and functions as the executive authority of the Town. The First Selectman, who is the chief executive officer, oversees the operations of the town. The Board of Finance, elected to six year terms, consists of six members and they are responsible for presenting an operating budget to the Town Meeting for approval. The Board of Education, elected to four year terms, consists of seven members and is responsible for the operation of the elementary and middle school system.

## **Cash Management Policies and Practices**

Cash temporarily idle during the year was invested mainly in the State of Connecticut Short Term Investment Fund (STIF). The rate of interest for June 2006 was 5.12%, which was typical of monthly rates in the fiscal year. Interest income earned for the fiscal year was \$36,692.

## **Long Term Financial Planning**

The District 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 school.

## **Risk Management**

The Town has entered into a contract with a local consultant to provide risk management services. The services of the consultant are also shared with the Mansfield Board of Education and the Town of Mansfield (Town). The two Boards and the Town also share the costs for a risk management assistant (a Town employee) to assist the consultant in carrying out the risk management program. All risk management activities for both Boards of Education and the Town are centered with the risk management assistant.

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

The Risk Management Assistant has provided guidance to department heads and building supervisors in establishing safety committees. The committees meet periodically to implement decisions made by the Executive Safety Committee and act upon risk management matters.

## **Employee Pension Systems**

Non-certified personnel, including clerical staff, janitorial staff, cafeteria staff and aids, participate in the Municipal Employees' Retirement Fund (MERF). MERF 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. MERF is considered to be part of the State of Connecticut financial reporting entity and is included in the State's financial report as a pension trust fund.

Retirement benefits for certified teachers are provided through the Connecticut State Employees' Retirement System or the Connecticut State Teachers' Retirement Plan. Teachers hired prior to July 1, 1987 were given the opportunity to participate in either plan above. The Connecticut State Employees' Retirement System is administered by the State Employees' Retirement Commission for State of Connecticut employees exempt from collective bargaining, state-aided institution employees, vending state operators and twenty bargaining units, including Region No. 19 teachers. The Region does not have a legal obligation to contribute to the retirement fund. The teachers' 7% contributions are based on annual earnings. The State of Connecticut funds the remaining contribution to the system based on an actuarial study performed utilizing the Entry Age Normal Cost Method.

Teachers choosing not to participate in the Connecticut State Employees' Retirement System, if hired prior to July 1, 1987, and teachers hired subsequent to July 1, 1987, participate in the Connecticut State Teachers' Retirement System. It is a contributory retirement plan administered by the State Teachers' Retirement Board. The Region does not have a legal obligation to contribute to the retirement fund.

The State of Connecticut makes contributions to the State Teachers' Retirement System based on the actuarial study performed utilizing the total payroll of covered teachers in the State. Participation in the system is required for all certified teachers in the state, who are employed for at least an average of half-time. Teachers are 100% vested after completing 10 years of Connecticut teaching service, the last five of which must have been consecutive, if leaving Connecticut Public School service before age 60.

### **Major Initiatives**

The Regional School District has been approved for a construction grant for the expansion and renovation of the vacant Reynolds School on Depot Road. The school will be used for the purposes of operating a small alternative high school program to provide expanded educational opportunities for both regular and handicapped students. Construction is estimated to begin in the Spring of 2007 and take approximately a year to complete.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Regional School District No. 19 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the Regional School District No. 19's finances.

Respectfully submitted,

Jeffrey H. Smith  
School Business Manager

# REGIONAL SCHOOL DISTRICT NO. 19

## FINANCIAL MANAGEMENT GOALS

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### PREFACE

The Fiscal Performance Goals adopted by the Board on May 3, 1990, represent an initial effort to establish written policies for guiding the Board's financial management practices. These goals are not intended in any way to limit the authority of the Board 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 Board's ability and responsibility to respond to emergency or educational delivery needs above or beyond the suggested limitations herein established.

### FINANCIAL REPORTING PERFORMANCE GOALS

A policy of full and open public disclosure of all financial activity will be adhered to.

Records will be maintained on a basis consistent with accepted municipal accounting standards.

Regular monthly, quarterly and annual financial reports presenting a summary of financial activity by major types of funds and programs will be prepared.

The Comprehensive Annual Financial Report will be prepared in conformity with generally accepted governmental accounting principles and financial reporting practices.

An independent public accounting firm will be employed to perform an annual audit of all funds and grant programs, and the annual audit 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 Board within one hundred twenty (120) days of the close of the fiscal year.

### REVENUE PERFORMANCE GOALS

Annual revenues will be estimated on an objective and reasonable basis. The Superintendent will develop a method to project revenues on a multi-year basis.

One time or special purpose revenues will be used only for capital expenditures or for expenditures required by the revenue and not to subsidize recurring personnel, operation and maintenance costs.

Tuition fees and other fee charges will be annually re-evaluated at a level related to the cost of providing the service.

### OPERATING EXPENDITURES PERFORMANCE GOALS

The Superintendent will propose and the Board of Education, after review, 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 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 recordkeeping system to be adhered to by all programs and activities receiving annual Board appropriations.

REGIONAL SCHOOL DISTRICT NO. 19  
FINANCIAL MANAGEMENT GOALS (CONTINUED)

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OPERATING EXPENDITURES PERFORMANCE GOALS (CONTINUED)

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 losses and reduce costs will be developed and implemented. The Superintendent will ensure that adequate insurance programs are in place, including unemployment and workers' compensation insurance.

Delivery of services by other public and private organizations will be encouraged whenever and wherever greater efficiency and effectiveness can be expected. Technology and productivity advancements that will help reduce or avoid increasing personnel costs will be developed and used in order to control personnel costs as a proportion of the total budget, to use available resources more productively and creatively, and to avoid duplication of effort and resources.

A three-year operating budget forecast will be prepared annually to assist the Board in advance planning.

The budget will be considered the spending plan for the year. The Superintendent is authorized to make commitments in accordance with budget appropriations. The Superintendent is further authorized to make budget transfers between budget activities (programs) of up to \$1,000. For transfers in excess of \$1,000, the Superintendent will seek Board approval.

RESERVE PERFORMANCE GOALS

A contingency account will be established annually in the operating budget to:

- Provide for settlement of pending labor contract negotiations;
- Provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature;
- Permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies;
- Provide the local match for public or private grants;
- Meet unexpected small increases in educational delivery costs; and
- Provide for self-insurance for items not covered by insurance.

The contingency account will be budgeted at a level sufficient to provide for settlement of pending labor contract negotiations plus an amount not to exceed one percent (1%) of the proposed budget. The Board's budget will be amended at the time such contingency funds are committed.

CAPITAL IMPROVEMENTS PERFORMANCE GOALS

A five-year Capital Improvements Program will be developed and will be coordinated with the operating budget in order to maintain a reasonably stable total tuition rate.

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.

A reserve fund for capital and nonrecurring expenditures will be established, and will be adequately funded each year by a transfer from the general budget and by unanticipated one-time revenues.

REGIONAL SCHOOL DISTRICT NO. 19  
FINANCIAL MANAGEMENT GOALS (CONTINUED)

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CAPITAL IMPROVEMENTS PERFORMANCE GOALS (CONTINUED)

Before submission to the Board of Education, the Superintendent will identify the estimated costs 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 shall be sought out and used as available to assist in financing capital improvements.

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 shall not exceed three percent (3%) of the full assessment value of all taxable property within the Region.

As a means of further minimizing the impact of debt obligations on the Region taxpayers:

Long-term net debt will not exceed \$500 per capita; and

These limitations will not apply to any debt incurred for emergency.

The issuance of budget and revenue anticipation notes will be avoided.

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.

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 such a way as to ensure maximum cash availability.

Where permitted by law, cash from several 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 the sale of debt, in which case the interest income will be transferred to the capital nonrecurring fund to finance future capital projects.

Investment policy will be consistent with State law and will provide for security of principal as well as needed liquidity.

**REGIONAL SCHOOL DISTRICT NO. 19**

**LIST OF PRINCIPAL OFFICIALS**

**BOARD OF EDUCATION**

Francis Archambault, Chairperson  
Herbert Arico  
Janice Chamberlain  
Karen Fisherkeller  
Robert Jellen  
Therese John  
Frank Krasicki  
Robert Kremer  
Elizabeth McCosh-Lilie  
Deborah Potvin  
William Ryan  
Michael Sibiga

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Bruce W. Silva  
Superintendent

Louis DeLoreto  
Principal

Robert Buckley  
Assistant Principal

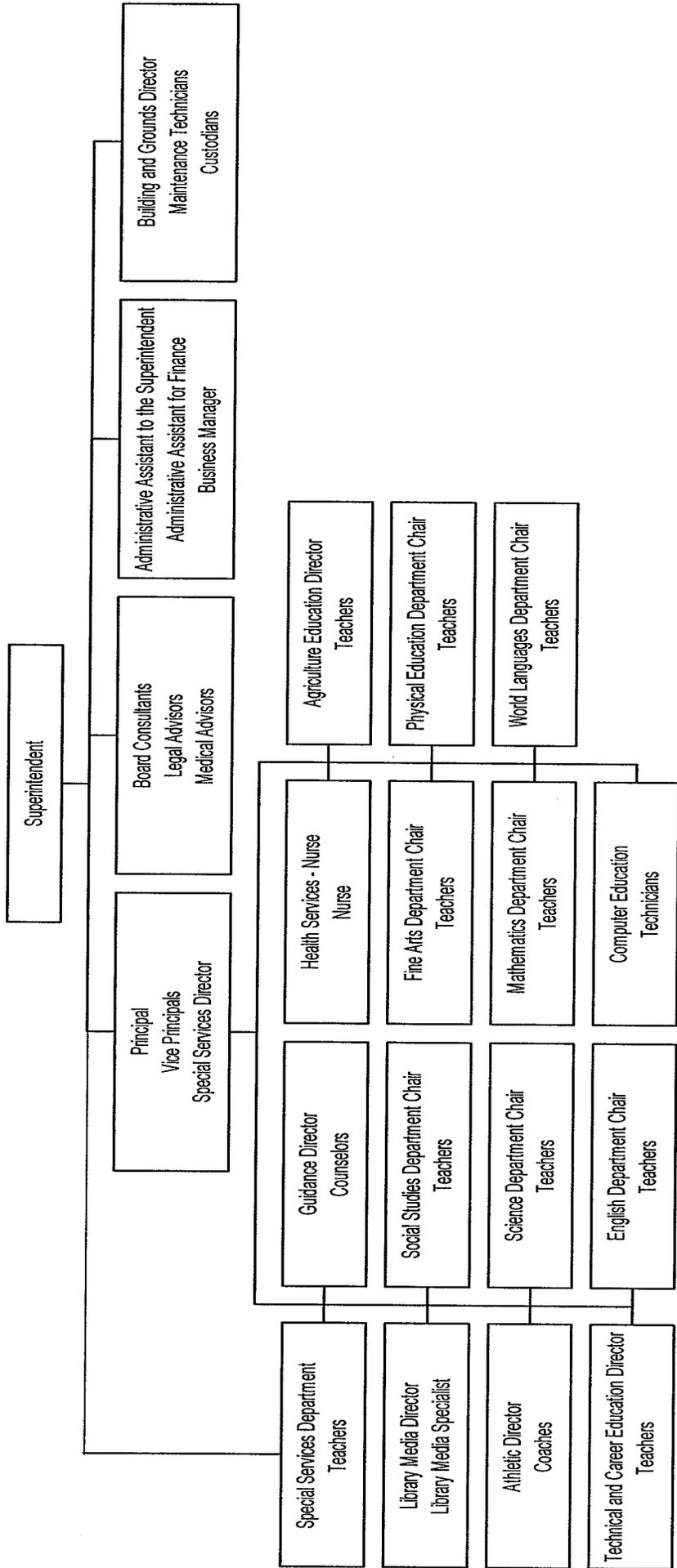
Frank Cronin  
Assistant Principal

Jeffrey H. Smith  
Business Manager

**REGIONAL SCHOOL DISTRICT NO.19**

Table of Organization

**Board of Education**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Regional School District  
No. 19, Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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.



*Carla E. Perry*

President

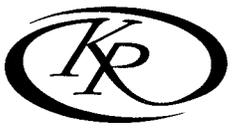
*Jeffrey R. Emer*

Executive Director

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# Financial Section

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**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Education  
Regional School District No. 19

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School District No. 19, as of and for the year ended June 30, 2006, which collectively comprise the Region's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Region'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, each major fund, and the aggregate remaining fund information of Regional School District No. 19, as of June 30, 2006, and the respective changes in financial position and the respective budgetary comparison for the general fund thereof 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 8, 2006, on our consideration of the Region'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 15 through 21 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.



Regional School District No. 19  
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School District No. 19'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 8, 2006

## REGION SCHOOL DISTRICT No. 19

EDWIN O. SMITH HIGH SCHOOL

Ashford, Mansfield and Willington, CT

1235 Storrs Road  
Storrs, CT 06268-2287  
860-487-1862  
Fax: 860-429-0085

Bruce W. Silva  
Superintendent

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2006

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Management of the Regional School District No. 19 (the Region), offers readers of these financial statements this narrative overview and analysis of the financial activities of the Region for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Financial Highlights

- The assets of the Region exceeded its liabilities at the close of the most recent fiscal year by \$38,033,273 (*net assets*). Of this amount, \$18,511,387 (*unrestricted net assets*) may be used to meet the Region's ongoing obligations to citizens and creditors.
- The Region's total net assets decreased by \$1,181,267 due to the result of depreciation expense exceeding capital replacement and school building grant receipts reflected in prior years.
- As of the close of the current fiscal year, the Region's governmental funds reported combined ending fund balances of \$560,982, a decrease of \$157,925 in comparison with the prior year. Unreserved fund balances at June 30, 2006 was a deficit of \$48,819.
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was a deficit of \$10,271. This deficit amount was funded in the 2006-2007 budget. State law prohibits Regional School Districts from accumulating a fund balance in the general fund.
- The Region's total long-term obligations decreased by \$1,528,621 (6.8%) during the current fiscal year due to scheduled debt service payments.

#### Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the Region's basic financial statements. The Region'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 Region's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Region'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 Region is improving or deteriorating.

The *statement of activities* presents information showing how the Region'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., earned but unused vacation leave).

The government-wide financial statements can be found on Exhibits A and B.

**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 Region uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Region can be divided into two categories: governmental funds and fiduciary funds.

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

**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 Region'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 Region'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 Region maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds. Data from the other four 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.

The Region 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)

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Region. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Region'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 G and H.

**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 I.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a Region's financial position. In the case of the Region, assets exceeded liabilities by \$38,033,273 at the close of the most recent fiscal year.

The second largest portion of the Region's net assets (49.7%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings and equipment), less any related debt used to acquire those assets that are still outstanding. The Region uses these capital assets to provide public education to eligible citizens living within the district; consequently, these assets are not available for future spending. Although the Region'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.

**REGIONAL SCHOOL DISTRICT NO.19  
NET ASSETS**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
Current and other assets.....	\$ 21,010,046	\$ 23,122,871
Capital assets.....	39,504,487	40,255,083
<b>Total assets.....</b>	<b>60,514,533</b>	<b>63,377,954</b>
Long-term liabilities outstanding.....	20,886,126	22,414,747
Other liabilities.....	1,595,134	1,748,667
<b>Total liabilities.....</b>	<b>22,481,260</b>	<b>24,163,414</b>
Net assets:		
Invested in capital assets, net of related debt.....	18,912,085	16,916,633
Restricted.....	609,801	717,503
Unrestricted.....	18,511,387	21,580,404
<b>TOTAL NET ASSETS.....</b>	<b>\$ 38,033,273</b>	<b>\$ 39,214,540</b>

An additional portion of the Region's net assets (1.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$18,511,387) may be used to meet the Region's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Region is able to report positive balances in all three categories of net assets.

Governmental activities. The Region's net assets decreased by \$1,181,267 during the current fiscal year. The decrease is primarily the result of depreciation expense exceeding capital replacement and school building grant receipts reflected in prior years.

**REGIONAL SCHOOL DISTRICT NO. 19  
CHANGE IN NET ASSETS**

	<u>Governmental Activities</u>	
	2006	2005
<b><u>REVENUES:</u></b>		
Program revenues:		
Charges for services.....	\$ 643,985	\$ 543,660
Operating grants and contributions.....	1,706,987	1,192,535
General revenues:		
Assessment to member towns.....	15,026,680	14,279,890
Investment income.....	36,692	23,345
Miscellaneous.....	14,554	9,075
<b>TOTAL REVENUES.....</b>	<b>17,428,898</b>	<b>16,048,505</b>
<b><u>EXPENSES:</u></b>		
Instructional programs.....	10,522,487	9,874,932
Guidance services.....	1,098,516	996,455
Curriculum development.....	125,774	137,286
Educational media.....	234,141	234,550
General administration.....	4,050,207	3,814,426
Student activities.....	476,689	476,213
Transportation.....	1,091,392	973,189
Interest expense.....	1,010,959	1,089,825
<b>TOTAL EXPENSES.....</b>	<b>18,610,165</b>	<b>17,596,876</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(1,181,267)</b>	<b>(1,548,371)</b>
<b>NET ASSETS - JULY 1.....</b>	<b>39,214,540</b>	<b>40,755,911</b>
<b>NET ASSETS - JUNE 30.....</b>	<b>\$ 38,033,273</b>	<b>\$ 39,207,540</b>

The significant changes in revenues were as follows:

- Operating grants and contributions increased by \$514,452 primarily due to increases in State assistance for Special Education tuition and transportation related to increased student needs.
- Assessment to member towns increased by \$746,790 due to an increase in salaries and benefits for both instruction and general administration; an increase in outplacement tuition and transportation; finally an increase in the cost of energy.

For the other functions, increases in expenses closely paralleled inflation and growth in the demand for services.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The significant increases in expenses for instructional programs of \$647,555 and for general administration of \$235,781 were substantially due to increases in salaries and benefits.

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

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

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

As of the end of the current fiscal year, the Region's governmental funds reported combined ending fund balances of \$560,982, a decrease of \$157,925 in comparison with the prior year. The unreserved and undesignated amount was a deficit balance of \$48,819. 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 (\$9,143), or 2) to pay debt service (\$600,658).

The general fund is the operating fund of the Region. At the end of the current fiscal year, unreserved fund balance of the general fund was a deficit of \$10,721. This amount was budgeted for in the 2006-2007 budget. State Law provides that any unreserved fund balance in the general fund must be returned to the member towns. The Regional Board accomplishes this by reducing member town assessments in subsequent years.

The fund balance of the Region's general fund decreased by \$51,323 during the current fiscal year. Key factors in this decrease are as follows:

- The cost of energy exceeded the budget by \$43,819
- The cost of outplacement tuition exceeded the budget by \$41,315
- Savings in building and equipment repairs and instructional supplies offset other increases

The debt service fund has a total fund balance of \$600,658, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$69,329.

### **General Fund Budgetary Highlights**

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

- \$22,622 in miscellaneous decreases in instructional programs, primarily for tuition payments.
- \$14,833 decrease in funds allocated to student activities.
- \$55,020 in increases in transportation allocation primarily for special education
- \$14,768 decrease in funds allocated for employee benefits

Total expenditures exceed the legally appropriated budget for the year to unanticipated special education costs. The deficit was budgeted for in 2006-2007 budget. All of the above amounts were transfers between accounts.

Revenues were less than budgetary estimates and expenditures were slightly less than budgetary estimates, thus causing a net decrease in fund balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Capital Assets and Debt Administration**

**Capital assets.** The Region's investment in capital assets for its governmental activities as of June 30, 2006, amounts \$39,504,487 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings and equipment. The Region's additions in capital assets for the current fiscal year were \$41,435. This was offset by depreciation expense of \$913,759 so that the Region's investment in capital assets declined from \$40,255,083 to \$39,504,487 or by \$750,596.

There were no significant capital assets events for the current fiscal year.

<b>REGIONAL SCHOOL DISTRICT NO.19</b>			
<b>CAPITAL ASSETS - NET</b>			
		<b>Governmental Activities</b>	
		<b>2006</b>	<b>2005</b>
Land.....	\$	858,508	\$ 858,508
Construction in progress.....		121,728	
Buildings.....		37,265,244	38,101,522
Improvements other than buildings.....		1,052,477	1,089,973
Equipment.....		206,530	205,080
<b>TOTAL.....</b>	<b>\$</b>	<b>39,504,487</b>	<b>\$ 40,255,083</b>

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

**Long-term debt.** At the end of the current fiscal year, the Region had total bonded debt outstanding of \$21,385,000. The entire amount is backed by the full faith and credit of the member towns of Ashford, Mansfield and Willington.

**REGIONAL SCHOOL DISTRICT NO. 19 LONG-TERM OBLIGATIONS**

	<b>Governmental Activities</b>	
	<b>2006</b>	<b>2005</b>
General obligation bonds and related liabilities	\$22,781,851	\$22,311,588
Compensated Absences Payable	104,275	103,159
<b>Total</b>	<b>\$20,886,126</b>	<b>\$22,414,747</b>

The Region's total debt decreased by \$1,528,621 (6.8%) during the current fiscal year. The key factor in this decrease was scheduled annual principal payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The Region maintains an "A1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a Regional School District may issue to 2.5 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant of the member towns. The current debt limitation for the Region is \$81,407,808, which is significantly in excess of the Region's outstanding general obligation debt.

Additional information on the Region's long-term debt can be found in Note III.E..

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

The Region's only school is E.O. Smith High School. The Region and its member towns is the beneficiary of the University of Connecticut being located in Mansfield. With over 5,000 employees, the University is the major employer for the member towns. This has a positive effect on employment rates regardless of the business cycle.

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

**2006 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>
2001	2.2%	1.6%	2.1%	2.8%	3.3%	4.6%
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
January	4.3	3.7	3.8	5.3	5.1	4.7
February	4.3	3.7	3.8	5.3	5.0	4.8
March	3.9	3.6	3.9	5.0	4.8	4.7
April	2.8	2.9	2.9	4.0	3.8	4.7
May	2.9	3.4	2.6	4.1	3.9	4.6
June	3.7	3.9	3.2	4.5	4.4	4.6

**Economic Factors and Next Year's Budgets and Rates (continued)**

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

The budget for fiscal year 2007 was adopted on May 2, 2006. This budget required an increase to the member towns of \$884,150 or 5.6%. However, because of changes in the number of students sent from each town, the actual increases were: Ashford \$247,706 (7.8%) Mansfield \$574,463 (7.1%), and Willington \$61,981 (1.7%)

**Requests for Information**

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

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# Basic Financial Statements

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REGIONAL SCHOOL DISTRICT NO. 19

EXHIBIT A

STATEMENT OF NET ASSETS  
JUNE 30, 2006

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 613,608
Investments.....	1,004,081
Receivables:	
Accounts.....	200,833
Intergovernmental.....	2,075,830
Bond issue costs.....	15,787
Total current assets.....	<u>3,910,139</u>
Noncurrent assets:	
Receivables:	
Intergovernmental.....	<u>16,926,245</u>
Other noncurrent assets:	
Bond issue costs.....	<u>173,662</u>
Capital assets (net of accumulated depreciation):	
Land.....	858,508
Construction in progress.....	121,728
Buildings.....	37,265,244
Improvements other than buildings.....	1,052,477
Equipment.....	<u>206,530</u>
Total capital assets (net of accumulated depreciation).....	<u>39,504,487</u>
Total noncurrent assets.....	<u>56,604,394</u>
TOTAL ASSETS.....	<u>60,514,533</u>
<u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Cash overdraft.....	684,731
Accounts payable.....	186,646
Accrued liabilities.....	655,981
Accrued interest payable.....	61,400
Unearned revenue.....	<u>6,376</u>
Total current liabilities.....	<u>1,595,134</u>
Noncurrent liabilities:	
Long-term liabilities due within one year.....	1,725,855
Long-term liabilities due in more than one year.....	<u>19,160,271</u>
Total noncurrent liabilities.....	<u>20,886,126</u>
TOTAL LIABILITIES.....	<u>22,481,260</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	18,912,085
Restricted for:	
Debt service.....	600,658
Other.....	9,143
Unrestricted.....	<u>18,511,387</u>
TOTAL NET ASSETS.....	<u>\$ 38,033,273</u>

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

**REGIONAL SCHOOL DISTRICT NO. 19**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET EXPENSES AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instructional programs.....	\$ 10,522,487	\$ 643,985	\$ 1,182,780	\$ (8,695,722)
Guidance services.....	1,098,516		57,512	(1,041,004)
Curriculum development.....	125,774		24,800	(100,974)
Educational media.....	234,141			(234,141)
General administration.....	4,050,207		140,820	(3,909,387)
Student activities.....	476,689			(476,689)
Transportation.....	1,091,392		301,075	(790,317)
Interest expense.....	1,010,959			(1,010,959)
<b>TOTAL GOVERNMENTAL ACTIVITIES....</b>	<b>\$ 18,610,165</b>	<b>\$ 643,985</b>	<b>\$ 1,706,987</b>	<b>\$ (16,259,193)</b>
<b>GENERAL REVENUES:</b>				
Assessment to member towns.....				\$ 15,026,680
Investment income.....				36,692
Miscellaneous.....				14,554
<b>TOTAL GENERAL REVENUES.....</b>				<b>15,077,926</b>
<b>CHANGE IN NET ASSETS.....</b>				<b>(1,181,267)</b>
<b>NET ASSETS - JULY 1, 2005.....</b>				<b>39,214,540</b>
<b>NET ASSETS - JUNE 30, 2006.....</b>				<b>\$ 38,033,273</b>

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

REGIONAL SCHOOL DISTRICT NO. 19BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006

	GENERAL	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 12,950	\$ 600,658	\$	\$ 613,608
Investments.....	1,004,081			1,004,081
Receivables:				
Accounts.....	200,833			200,833
Intergovernmental.....			276,194	276,194
Due from other funds.....	273,308			273,308
<b>TOTAL ASSETS.....</b>	<b>\$ 1,491,172</b>	<b>\$ 600,658</b>	<b>\$ 276,194</b>	<b>\$ 2,368,024</b>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Cash overdraft.....	\$ 684,731	\$	\$	\$ 684,731
Accounts and other payables.....	151,588		35,058	186,646
Accrued liabilities.....	655,981			655,981
Due to other funds.....			273,308	273,308
Unearned revenue.....			6,376	6,376
<b>TOTAL LIABILITIES.....</b>	<b>1,492,300</b>	<b>-</b>	<b>314,742</b>	<b>1,807,042</b>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	9,143			9,143
Debt service.....		600,658		600,658
Unreserved, reported in:				
General fund.....	(10,271)			(10,271)
Special revenue funds.....			63,587	63,587
Capital projects funds.....			(102,135)	(102,135)
<b>TOTAL FUND BALANCES.....</b>	<b>(1,128)</b>	<b>600,658</b>	<b>(38,548)</b>	<b>560,982</b>
<b>TOTAL LIABILITIES AND FUND BALANCES....</b>	<b>\$ 1,491,172</b>	<b>\$ 600,658</b>	<b>\$ 276,194</b>	<b>\$ 2,368,024</b>

(Continued)

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

**REGIONAL SCHOOL DISTRICT NO. 19**

RECONCILIATION OF FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2006

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).....	\$	560,982
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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 and current additions.....		40,418,246
Depreciation expense.....		(913,759)

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

School building grant receivable.....		18,725,881
Bond issue costs.....		189,449

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

Beginning long-term liabilities and current year additions.....		(22,538,717)
Long-term liability payments.....		1,652,591
Accrued interest payable.....		(61,400)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>38,033,273</u>
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(Concluded)

## REGIONAL SCHOOL DISTRICT NO. 19

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006

	GENERAL	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Assessment to member towns.....	\$ 15,026,680	\$	\$	\$ 15,026,680
Intergovernmental.....	1,015,306	1,789,467	691,681	3,496,454
Charges for services.....	424,301		219,684	643,985
Investment income.....	36,588		104	36,692
Other.....			14,554	14,554
<b>TOTAL REVENUES.....</b>	<b>16,502,875</b>	<b>1,789,467</b>	<b>926,023</b>	<b>19,218,365</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Instructional programs.....	7,995,523		908,328	8,903,851
Guidance services.....	882,496			882,496
Curriculum development.....	32,462			32,462
Educational media.....	233,348			233,348
General administration.....	2,644,146			2,644,146
Student activities.....	499,384			499,384
Transportation.....	1,028,123			1,028,123
Employee benefits.....	2,392,466		88,683	2,481,149
Debt service.....		2,528,796		2,528,796
Capital outlay.....			142,535	142,535
<b>TOTAL EXPENDITURES.....</b>	<b>15,707,948</b>	<b>2,528,796</b>	<b>1,139,546</b>	<b>19,376,290</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>794,927</b>	<b>(739,329)</b>	<b>(213,523)</b>	<b>(157,925)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....		670,000	176,250	846,250
Transfers out.....	(846,250)			(846,250)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(846,250)</b>	<b>670,000</b>	<b>176,250</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(51,323)</b>	<b>(69,329)</b>	<b>(37,273)</b>	<b>(157,925)</b>
<b>FUND BALANCES - JULY 1, 2005.....</b>	<b>50,195</b>	<b>669,987</b>	<b>(1,275)</b>	<b>718,907</b>
<b>FUND BALANCES - JUNE 30, 2006.....</b>	<b>\$ (1,128)</b>	<b>\$ 600,658</b>	<b>\$ (38,548)</b>	<b>\$ 560,982</b>

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

**REGIONAL SCHOOL DISTRICT NO. 19**

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, 2006

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)..... \$ (157,925)

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 depreciation exceeded capital outlays in the current period:

Capital outlay.....	163,163
Depreciation expense.....	<u>(913,759)</u>
Total .....	<u>(750,596)</u>

Revenues recognized 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.....	<u>(1,789,467)</u>
-------------------------------------	--------------------

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

Principal repayments:	
General obligation bonds.....	<u>1,580,000</u>

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).....	(1,116)
Accrued interest payable.....	3,887
Amortization of bond premium.....	13,337
Amortization of issuance costs.....	(15,787)
Amortization of deferred charges on refunding.....	<u>(63,600)</u>
Total .....	<u>(63,279)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) .....	<u>\$ (1,181,267)</u>
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REGIONAL SCHOOL DISTRICT NO. 19STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Assessment to member towns.....	\$ 15,026,680	\$ 15,026,680	\$ 15,026,680	\$ -
Intergovernmental.....	370,800	370,800	350,432	(20,368)
Charges for services.....	420,520	420,520	424,301	3,781
Investment income.....	20,000	20,000	36,588	16,588
<b>TOTAL REVENUES.....</b>	<b>15,838,000</b>	<b>15,838,000</b>	<b>15,838,001</b>	<b>1</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional programs.....	8,004,300	7,981,678	7,981,676	2
Guidance services.....	888,960	887,255	887,255	-
Curriculum development.....	31,950	32,462	32,462	-
Educational media.....	240,630	232,629	232,629	-
General administration.....	2,611,490	2,617,887	2,617,887	-
Student activities.....	511,910	497,077	497,077	-
Transportation.....	960,150	1,015,170	1,028,123	(12,953)
Employee benefits.....	1,742,360	1,727,592	1,727,592	-
<b>TOTAL EXPENDITURES.....</b>	<b>14,991,750</b>	<b>14,991,750</b>	<b>15,004,701</b>	<b>(12,951)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>846,250</b>	<b>846,250</b>	<b>833,300</b>	<b>(12,950)</b>
<b>OTHER FINANCING USES:</b>				
Transfers out.....	(846,250)	(846,250)	(846,250)	-
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(12,950)</b>	<b>\$ (12,950)</b>
FUND BALANCE - JULY 1, 2005.....			2,679	
FUND BALANCE - JUNE 30, 2006.....			<u>\$ (10,271)</u>	

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

**REGIONAL SCHOOL DISTRICT NO. 19**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2006

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	MEMORIAL SCHOLARSHIP PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
<hr/>		
<u>ASSETS</u>		
Cash.....	\$ 3,671	\$ 390,800
Accounts receivable.....		1,993
	<hr/>	<hr/>
TOTAL ASSETS.....	3,671	392,793
 <u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....		392,793
		<hr/>
 <u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR ENDOWMENTS.....	\$ 3,671	\$ -
	<hr/>	<hr/>

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

**REGIONAL SCHOOL DISTRICT NO. 19**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2006

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	MEMORIAL SCHOLARSHIP PRIVATE PURPOSE TRUST FUND
<hr/>	
ADDITIONS:	
Investment income:	
Interest and dividends.....	\$          57
NET ASSETS - JULY 1, 2005.....	<u>3,614</u>
NET ASSETS - JUNE 30, 2006.....	<u>\$          3,671</u>

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

**REGIONAL SCHOOL DISTRICT NO. 19**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2006**HISTORY AND ORGANIZATION**

E.O. Smith High School is a public high school (Grades 9-12) serving the towns of Ashford, Mansfield and Willington. It was created by the State Legislature through Public Law 84-42. On February 11, 1986, the electorate in Ashford and Mansfield voted to establish a Regional School District to provide governance for the school. On November 2, 1993, the electors of Ashford, Mansfield and Willington voted to expand the Regional School District to include the Town of Willington.

Member voting is weighted according to the proportion of each town's population to the total regional population. Accordingly, each member from Ashford receives 0.458 votes, each member from Mansfield receives 1.896 votes and each member from Willington receives 0.646 votes.

**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 Region. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by member town assessments and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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. Member town assessments and other items not properly included among program revenues are reported instead as *general revenues*.

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

**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 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds report only assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

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 Region 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, are recorded only when payment is due.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Member town assessments, expenditure reimbursement-type 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. All other revenue items are considered to be measurable and available only when cash is received by the Region.

The Region reports the following major governmental funds:

The *General Fund* is the government'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 *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following fund types:

The *Private-Purpose Trust Funds* are used to account for resources legally held in trust for scholarships. All resources of the fund, including any earnings on invested resources, may be used for student scholarships. There is no requirement that any portion of these resources be preserved as capital.

The *Agency Funds* account for monies held on behalf of students and employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, except for any interfund services provided by one fund used by another fund.

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

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

**C. Assets, Liabilities, and Net Assets or Equity****1. Investments**

Investments - In general, State of Connecticut Statutes allow the Region 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 projects fund, not more than 31% can be invested in equity securities.

REGIONAL SCHOOL DISTRICT NO. 19  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

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

**1. Investments (Continued)**

Investments for the Region are reported at fair value. State Treasures Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

**2. Interfunds**

Activities 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).

**3. Capital Assets**

Capital assets, which include property, plant and equipment, are reported 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 and \$20,000 for improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	45
Improvements other than buildings	45
Equipment	5 - 25

**4. Compensated Absences**

Vacation earned may be accumulated by employees with the Superintendent's permission 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 150 days until termination, retirement or death, at which time no payments will be made. Teachers may accumulate up to 186 days until termination, retirement or death, at which time no payments will be made.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****C. Assets, Liabilities, and Net Assets or Equity (Continued)****5. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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.

**6. 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 purpose 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 Region which are not restricted.

**7. 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.

**8. Comparative Data/Reclassifications**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

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

- The Region legally adopts an annual budget for the General Fund pursuant to the Connecticut General Statutes Section 10-51. Formal budgetary integration is employed by the Region as a management control device during the year for the General Fund. A budgetary comparison on a legal basis has been included in the appropriate financial statement and schedules, and a budgetary to GAAP reporting reconciliation has been provided in Note II. B., Budget to GAAP Reconciliation. The Capital Projects Fund employs a project length budget, which is approved by the Regional Board of Education.
- Prior to January, each department head or other agency as designated by the Superintendent submits budget requests accompanied by detailed estimates of expenditures to be made and, where appropriate, revenues to be collected during the ensuing fiscal year.
- During February and March, the Superintendent presents to the Board of Education (Board) the revenue and expenditure detail for their consideration.
- Not less than two weeks before the annual meeting, which must be held on the first Monday of May, the Board shall hold a public district meeting to present a proposed budget for the next fiscal year. Any person may recommend the addition or deletion of expenditures at such time.
- After the public hearing, the Board shall prepare an annual budget for the next fiscal year, make available on request copies thereof and deliver a reasonable number of copies to the Town Clerk of each town in the Region at least five days before the annual meeting.
- At the annual meeting, the Board shall present a budget which includes statements of (1) estimated receipts and expenditures for the next fiscal year, (2) estimated receipts and expenditures for the current fiscal year, (3) estimated surplus or deficit in operating funds at the end of the current fiscal year, (4) bonded or other debt, (5) estimated per pupil expenditure for the current and for the next fiscal year, and (6) such other information as is necessary in the opinion of the Board.
- Persons present and eligible to vote may accept or reject the proposed budget. If a majority of such persons voting reject the budget, the Board shall, within two weeks thereafter and upon notice of not less than one week, call a Region meeting to consider the same or an amended budget. Such meetings shall be convened at such intervals until a budget is approved.
- After the budget is approved, the Board shall estimate the share of the net expenditures to be paid by each member town in accordance with Connecticut General Statutes Section 10-51, and notify the respective Region treasurer thereof.
- If the Board needs to submit a supplementary budget, the general procedures as outlined above shall be used.
- The level of control for a legally adopted budget (the level at which expenditures may not legally exceed appropriations without Board approval) is at the program level, except that the Superintendent has the authority to make budgetary transfers up to \$1,000 between programs. Transfers in excess of \$1,000 must be approved by the Board.

REGIONAL SCHOOL DISTRICT NO. 19  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

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

- The Board does not have the authority to expend beyond the total budget appropriation without Region meeting approval. No additional appropriations were made during the year.
- 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 Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**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>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2006 .....	\$ 15,838,001	\$ 15,004,701	\$( 10,271)
Encumbrances outstanding at June 30, 2005 liquidated during the year ended June 30, 2006 .....		47,516	
Encumbrances outstanding at June 30, 2005 charged to budgetary expenditures during the year ended June 30, 2006 .....		( 9,143)	9,143
State Teachers' Retirement on-behalf payment .....	<u>664,874</u>	<u>664,874</u>	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2006....	<u>\$ 16,502,875</u>	<u>\$ 15,707,948</u>	<u>\$( 1,128)</u>

**C. Deficit Fund Balances**

The following fund had a fund balance deficit at June 30, 2006:

GENERAL FUND .....	<u>\$ 1,128</u>
SPECIAL REVENUE FUND:	
Workers' compensation fund .....	<u>\$ 4,783</u>
CAPITAL PROJECTS FUND.....	<u>\$ 102,135</u>

The deficit for the general fund was included in the 2007 budget.

The deficit will be eliminated in future years as transfers are made from the general fund for the workers' compensation fund and capital projects fund.

REGIONAL SCHOOL DISTRICT NO. 19  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES**

**A. Cash and Investments**

1. Deposits - Custodial Credit Risk - Custodial credit risk that, in the event of a bank failure, the Region's deposits may not be returned to it. The Region does not have a deposit policy for custodial credit risk. As of June 30, 2006, \$467,852 of the Region's bank balance of \$571,523 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 411,067
Uninsured and collateral held by the pledging bank's trust department, not in the Region's name .....	<u>56,785</u>
Total amount subject to custodial credit risk.....	<u>\$ 467,852</u>

2. Investments - At June 30, 2006, the Region's investments consisted of the following:

<u>TYPE OF INVESTMENT</u>	<u>INVESTMENT MATURITIES</u>	
	<u>(IN YEARS)</u>	
	<u>FAIR VALUE</u>	<u>LESS THAN 1 YEAR</u>
Pooled fixed income funds.....	\$ 1,004,065	\$ 1,004,065
Money market mutual funds .....	<u>16</u>	<u>16</u>
TOTAL .....	<u>\$ 1,004,081</u>	<u>\$ 1,004,081</u>

Interest rate risk - The Region 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 Region 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 Region's investments in pooled fixed income were rated AAA by Standard & Poor's and the money market mutual funds were unrated.

**B. Receivables**

Receivables as of year end for the Region's individual major funds and nonmajor, in the aggregate, are as follows:

Intergovernmental Grants Receivable:	
Collectible within one year.....	\$ 2,075,830
Collectible in more than one year .....	16,926,245

UNEARNED REVENUE:

Grant draw downs prior to meeting all eligibility requirements (special revenue fund) .....	<u>\$ 6,376</u>
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REGIONAL SCHOOL DISTRICT NO. 19  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	BALANCE JULY 1, 2005	INCREASES	BALANCE JUNE 30, 2006
<b><u>Governmental Activities:</u></b>			
<b><u>Capital Assets, not being Depreciated:</u></b>			
Land .....	\$ 858,508	\$	\$ 858,508
Construction in progress .....		121,728	121,728
Total Capital Assets, not being Depreciated ...	858,508	121,728	980,236
<b><u>Capital Assets, being Depreciated:</u></b>			
Buildings .....	44,273,539		44,273,539
Improvements other than buildings .....	1,687,277		1,687,277
Equipment .....	537,391	41,435	578,826
Total Capital Assets, being Depreciated .....	46,498,207	41,435	46,539,642
Total Capital Assets .....	47,356,715	163,163	47,519,878
<b><u>Less Accumulated Depreciation for:</u></b>			
Buildings .....	6,172,017	836,278	7,008,295
Improvements other than buildings .....	597,304	37,496	634,800
Equipment .....	332,311	39,985	372,296
Total Accumulated Depreciation .....	7,101,632	913,759	8,015,391
Total Capital Assets, being Depreciated, net ..	39,396,575	( 872,324)	38,524,251
Governmental Activities Capital Assets, net...	\$ 40,255,083	\$( 750,596)	\$39,504,487

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

<b><u>Governmental Activities:</u></b>	
Instructional programs .....	\$ 26,252
Guidance services .....	1,927
Curriculum development .....	765
Educational media .....	793
General administration .....	882,973
Student activities .....	1,049
Total Depreciation Expense - Governmental Activities .....	\$ 913,759

REGIONAL SCHOOL DISTRICT NO. 19  
 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, 2006 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
MAJOR FUND:			
GENERAL FUND:			
Other operating fund.....	N/A	\$ 132,634	\$
Education grants fund.....	N/A	62,465	
Workers' compensation fund.....	N/A	73,426	
Capital projects fund.....	N/A	4,783	
TOTAL GENERAL FUND.....		<u>273,308</u>	<u>-</u>
NONMAJOR FUNDS:			
SPECIAL REVENUE FUND:			
Other operating fund.....	General Fund		132,634
Education grants fund.....	General Fund		62,465
Workers' compensation fund.....	General Fund		4,783
TOTAL SPECIAL REVENUE FUND.....		-	199,882
CAPITAL PROJECTS FUND.....			<u>73,426</u>
TOTAL NONMAJOR FUNDS.....		-	<u>273,308</u>
GRAND TOTAL.....		<u>\$ 273,308</u>	<u>\$ 273,208</u>

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

**2. Interfund Transfers**

A summary of interfund transfers as of June 30, 2006 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
MAJOR FUNDS:			
GENERAL FUND:			
Debt service.....	N/A	\$	\$ 670,000
Other operating fund.....	N/A		55,610
Workers' compensation fund.....	N/A		57,750
Capital projects fund.....	N/A		62,890
TOTAL GENERAL FUND.....		-	<u>846,250</u>
DEBT SERVICE FUND.....	General Fund	<u>670,000</u>	
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Other operating fund.....	General Fund	55,610	
Workers' compensation fund.....	General Fund	57,750	
TOTAL SPECIAL REVENUE FUNDS.....		113,360	-
CAPITAL PROJECTS FUND.....	General Fund	<u>62,890</u>	
TOTAL NONMAJOR FUNDS.....		<u>176,250</u>	<u>-</u>
GRAND TOTAL.....		<u>\$ 846,250</u>	<u>\$ 846,250</u>

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

REGIONAL SCHOOL DISTRICT NO. 19  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**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, 2005	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2006	CURRENT PORTION
<b>BONDS</b>									
Schools:									
Improvement bond	\$ 10,000,000	01/01/98	06/15/17	4.1 - 6.0%	\$ 410,000	\$	\$ 155,000	\$ 255,000	\$ 255,000
Improvement bond	10,000,000	01/01/99	06/15/18	3.85 - 5.85%	7,750,000		525,000	7,225,000	550,000
Refunding bond.....	14,805,000	12/15/03	06/15/18	3.0 - 4.5%	14,805,000		900,000	13,905,000	900,000
TOTAL BONDS .....					22,965,000	-	1,580,000	21,385,000	1,705,000
Bond premium .....					173,388		13,337	160,051	
Deferred charge on refunding .....					( 826,800)		( 63,600)	( 763,200)	
TOTAL BONDS AND RELATED LIABILITIES .....					22,311,588	-	1,529,737	20,781,851	1,705,000
COMPENSATED ABSENCES .....					103,159	123,970	122,854	104,275	20,855
TOTAL GENERAL LONG-TERM OBLIGATIONS .....					\$22,414,747	\$ 123,970	\$ 1,652,591	\$20,886,126	\$1,725,855

All long-term liabilities other than debt are generally liquidated by the General Fund.

The annual requirements to amortize serial bonds outstanding at June 30, 2006 are as follows:

FISCAL YEAR JUNE 30.	STATE REIMBURSE- MENT PRINCIPAL	NET PRINCIPAL PAYMENTS TO MATURITY	INTEREST	STATE REIMBUR- SEMENT	NET INTEREST PAYMENTS TO MATURITY	TOTAL NET DEBT SERVICE TO MATURITY
2007	\$ 1,705,000	\$ 1,204,517	\$ 500,483	\$ 841,667	\$ 595,119	\$ 747,031
2008	1,725,000	1,200,298	524,702	772,998	542,494	755,206
2009	1,845,000	1,284,573	560,427	704,497	494,777	770,147
2010	1,920,000	1,339,479	580,521	624,224	438,904	765,841
2011	1,950,000	1,359,910	590,090	559,436	393,364	756,162
2012	1,970,000	1,373,530	596,470	490,472	344,946	741,996
2013	1,955,000	1,363,315	591,685	417,555	293,800	715,440
2014	1,935,000	1,349,694	585,306	343,193	241,636	686,863
2015	1,920,000	1,339,479	580,521	267,580	188,604	659,497
2016	1,905,000	1,329,263	575,737	190,267	134,379	631,625
2017	1,595,000	1,118,144	476,856	111,285	79,001	509,140
2018	960,000	685,689	274,311	43,109	30,966	286,453
TOTAL	\$21,385,000	\$14,947,891	\$ 6,437,109	\$ 5,366,283	\$ 3,777,990	\$ 8,025,401

**III. DETAILED NOTES (CONTINUED)**

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

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

State Reimbursement

Amounts in the State reimbursement columns are projected school construction grants to be received in the years subsequent to June 30, 2006, and represent principal and interest subsidies from the State of Connecticut.

Prior Year Advance Refunding

In the prior year, the District has defeased various bond issues by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Region's financial statements. As of June 30, 2006, the amount of defeased debt outstanding but removed from the Region's financial statements amounted to \$10,045,000.

**2. Statutory Debt Limitations**

The Region's indebtedness does not exceed the legal debt limitation as required by Connecticut General Statutes. The statutes allow for debt up to 2.25 times the annual receipts of taxation of the member towns. The Region's debt limitation is as follows:

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
Schools.....	<u>\$81,407,808</u>	<u>\$ 6,437,109</u>	<u>\$ 74,970,699</u>

School building grants receivable of \$14,947,891 for bond principal are reflected as deductions in the computation of net indebtedness.

**3. Authorized/Unissued Bonds**

At June 30, 2006, the Region had no authorized and unissued bonds.

REGIONAL SCHOOL DISTRICT NO. 19  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**IV. OTHER INFORMATION**

**A. Risk Management**

The Region is exposed to various risks of loss related to public officials, Board of Education liability, torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God. The Region purchases commercial insurance for all risks of loss, except for medical insurance. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

Hospitalization and medical-surgical health coverage for Region 19 employees are administered by the Town of Mansfield (the Town) on behalf of the Regional School District (the Region). The Town operates the Mansfield Health Insurance Fund (the Fund) which has been recorded in the Town's records as an Internal Service Fund. The Fund'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 through a contract with the Town for which the Fund pays a fee. The contract period is for calendar year 2006.

The Fund has purchased aggregate stop loss coverage at 125 percent of expected claims. In addition to the aggregate stop loss, the Fund has also purchased \$100,000 of combined medical-surgical and major medical individual stop loss.

The claim liability of \$480,000 for the Fund is based on the requirements of GASB Statement Nos. 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 the 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.

Premium payments are reported as quasi-external interfund transactions for Town entities and as external transactions for the Regional School District; accordingly, they are treated as operating revenues of the Health Insurance Fund and operating expenditures of the participating entities.

For the period ended June 30, 2006, the Region's General Fund made premium payments into the Fund of \$1,366,240.

The Region 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.

REGIONAL SCHOOL DISTRICT NO. 19  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

The Region is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, employee benefit liability, school leaders' liability and property coverage. The premium is subject to audit after the close of the coverage period. Various deductibles applied to these coverages, and claims and expense payments falling within the deductible amounts, are the responsibility of the Region. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Region 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. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

**B. Commitments and Litigation**

The Region is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the Region.

The Region 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 Region's financial statements.

**C. Pension Plans**

**1. Plan Description**

Noncertified personnel, including clerical staff and janitorial staff, 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, Municipal Employees' Retirement Fund, 55 Elm Street, Hartford, CT 06106.

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans (Continued)**

**2. 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 continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

**3. Funding Policy**

Covered employees are required by State Statute to contribute 2¼% 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 cost of the plan.

The required and actual contributions for the past three years were as follows:

YEAR ENDING <u>JUNE 30,</u>	
2004 .....	\$ 50,306
2005 .....	66,141
2006 .....	88,709

**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 Region's teachers to the Connecticut State Teachers' Retirement System and Connecticut State Employees' Retirement System was \$664,874.

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# Supplemental Schedules

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# General Fund

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The General Fund is the general operating fund of the Region. It is used to account for all financial resources except those required to be accounted for in another fund.

**REGIONAL SCHOOL DISTRICT NO. 19**

GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2006 AND 2005

	2006	2005
<b><u>ASSETS</u></b>		
Cash.....	\$ 12,950	\$ 8,950
Investments.....	1,004,081	1,561,270
Accounts receivable.....	200,833	43,104
Due from other funds.....	273,308	103,440
<b>TOTAL ASSETS.....</b>	<b>\$ 1,491,172</b>	<b>\$ 1,716,764</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b>LIABILITIES:</b>		
Cash overdraft.....	\$ 684,731	\$ 860,441
Accounts and other payables.....	151,588	174,914
Accrued liabilities.....	655,981	631,214
<b>TOTAL LIABILITIES.....</b>	<b>1,492,300</b>	<b>1,666,569</b>
<b>FUND BALANCES:</b>		
Reserved for encumbrances.....	9,143	47,516
Unreserved and undesignated.....	(10,271)	2,679
<b>TOTAL FUND BALANCES.....</b>	<b>(1,128)</b>	<b>50,195</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 1,491,172</b>	<b>\$ 1,716,764</b>

REGIONAL SCHOOL DISTRICT NO. 19

GENERAL FUND  
SCHEDULE OF CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
FUND BALANCE - JULY 1, 2005:					
Unreserved and undesignated.....					\$ 2,679
REVENUES.....	\$ 15,838,000	\$ 15,838,000	\$ 15,838,001	\$ 1	
EXPENDITURES AND TRANSFERS OUT.....	15,838,000	15,838,000	15,850,951	(12,951)	
NET RESULT FROM BUDGETARY OPERATIONS.....	\$ -	\$ -	\$ (12,950)	\$ (12,950)	(12,950)
FUND BALANCE - JUNE 30, 2006:					
Unreserved and undesignated.....					<u>\$ (10,271)</u>

**REGIONAL SCHOOL DISTRICT NO. 19**

**SCHEDULE 3**

GENERAL FUND  
SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>ASSESSMENT TO MEMBER TOWNS:</b>				
Mansfield.....	\$ 8,112,410	\$ 8,112,410	\$ 8,112,410	\$ -
Ashford.....	3,170,080	3,170,080	3,170,080	-
Wilmington.....	3,744,190	3,744,190	3,744,190	-
<b>TOTAL ASSESSMENT TO MEMBER TOWNS.....</b>	<b>15,026,680</b>	<b>15,026,680</b>	<b>15,026,680</b>	<b>-</b>
<b>INTERGOVERNMENTAL REVENUES:</b>				
Vocational agriculture.....	65,800	65,800	66,311	511
School transportation.....	305,000	305,000	284,121	(20,879)
<b>TOTAL INTERGOVERNMENTAL REVENUES.....</b>	<b>370,800</b>	<b>370,800</b>	<b>350,432</b>	<b>(20,368)</b>
<b>CHARGES FOR SERVICES:</b>				
Tuition - special education.....	60,000	60,000	60,130	130
Tuition - vo-ag.....	360,520	360,520	364,171	3,651
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>420,520</b>	<b>420,520</b>	<b>424,301</b>	<b>3,781</b>
INVESTMENT INCOME.....	20,000	20,000	36,588	16,588
<b>TOTAL REVENUES.....</b>	<b>\$ 15,838,000</b>	<b>\$ 15,838,000</b>	<b>\$ 15,838,001</b>	<b>\$ 1</b>

**REGIONAL SCHOOL DISTRICT NO. 19**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006

	ORIGINAL BUDGET	INCREASES (DECREASES) AND TRANSFERS	FINAL BUDGET	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>INSTRUCTIONAL PROGRAMS:</b>					
English.....	\$ 936,590	\$ (11,420)	\$ 925,170	\$ 925,170	\$ -
Reading.....	38,620	32,172	70,792	70,792	-
World languages.....	590,620	4,716	595,336	595,336	-
Physical education.....	461,420	(4,126)	457,294	457,294	-
Mathematics.....	800,290	(13,356)	786,934	786,934	-
Science.....	858,990	(41,078)	817,912	817,912	-
Social studies.....	779,490	(6,926)	772,564	772,564	-
Fine arts/art.....	208,530	(7,212)	201,318	201,317	1
Fine arts/music.....	265,610	(4,518)	261,092	261,092	-
Information technology.....	199,830	(33,393)	166,437	166,436	1
Technical and career education management.....	81,450	(622)	80,828	80,828	-
School to career education.....	140,730	(12,875)	127,855	127,855	-
Family and consumer sciences.....	76,020	(1,542)	74,478	74,478	-
Technology education.....	149,740	1,117	150,857	150,857	-
Business education.....	260,150	(643)	259,507	259,507	-
Tech prep.....	6,070	(5,481)	589	589	-
English as a second language.....	69,460	(728)	68,732	68,732	-
Substitute teachers.....	66,000	49,650	115,650	115,650	-
Non-distributed costs.....	4,450	(4,450)	-	-	-
Special education instruction.....	1,218,420	28,133	1,246,553	1,246,553	-
Special education summer program.....	44,000	11,303	55,303	55,303	-
Remedial education.....	50,090	(4,015)	46,075	46,075	-
Agriculture education.....	314,800	(37,030)	277,770	277,770	-
Tuition payments.....	376,000	41,316	417,316	417,316	-
Central service - instructional supplies.....	6,930	(1,614)	5,316	5,316	-
<b>TOTAL INSTRUCTIONAL PROGRAMS.....</b>	<b>8,004,300</b>	<b>(22,622)</b>	<b>7,981,678</b>	<b>7,981,676</b>	<b>2</b>
<b>GUIDANCE SERVICES:</b>					
Guidance services.....	523,690	(917)	522,773	522,773	-
Health.....	127,220	167	127,387	127,387	-
Psychological services.....	207,630	(11)	207,619	207,619	-
Alternative education.....	30,420	(944)	29,476	29,476	-
<b>TOTAL GUIDANCE SERVICES.....</b>	<b>888,960</b>	<b>(1,705)</b>	<b>887,255</b>	<b>887,255</b>	<b>-</b>
<b>CURRICULUM DEVELOPMENT:</b>					
Curriculum development.....	16,800	(5,845)	10,955	10,955	-
Professional development.....	15,150	6,357	21,507	21,507	-
<b>TOTAL CURRICULUM DEVELOPMENT.....</b>	<b>31,950</b>	<b>512</b>	<b>32,462</b>	<b>32,462</b>	<b>-</b>
<b>EDUCATIONAL MEDIA.....</b>	<b>240,630</b>	<b>(8,001)</b>	<b>232,629</b>	<b>232,629</b>	<b>-</b>

(Continued)

**SCHEDULE 4**  
(2 of 2)

REGIONAL SCHOOL DISTRICT NO. 19  
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	INCREASES (DECREASES) AND TRANSFERS	FINAL BUDGET	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>GENERAL ADMINISTRATION:</b>					
Board of education.....	\$ 30,950	\$ 5,790	\$ 36,740	\$ 36,740	\$ -
Superintendent's office.....	193,870	(291)	193,579	193,579	-
Special education management.....	272,540	(6,428)	266,112	266,112	-
Long range planning.....	1,000	832	1,832	1,832	-
Ext detention program.....	12,000	(3,226)	8,774	8,774	-
Principals' office services.....	507,800	(11,257)	496,543	496,543	-
Business management.....	202,220	57	202,277	202,277	-
Central services.....	261,550	10,093	271,643	271,643	-
Reproduction center - R19.....	94,000	715	94,715	94,715	-
Plant operation - buildings.....	1,035,560	10,112	1,045,672	1,045,672	-
<b>TOTAL GENERAL ADMINISTRATION.....</b>	<b>2,611,490</b>	<b>6,397</b>	<b>2,617,887</b>	<b>2,617,887</b>	<b>-</b>
<b>STUDENT ACTIVITIES:</b>					
Student activities.....	93,240	(6,644)	86,596	86,596	-
Athletic program.....	418,670	(8,189)	410,481	410,481	-
<b>TOTAL STUDENT ACTIVITIES.....</b>	<b>511,910</b>	<b>(14,833)</b>	<b>497,077</b>	<b>497,077</b>	<b>-</b>
<b>TRANSPORTATION:</b>					
Transportation.....	749,150	2,075	751,225	751,225	-
Special education transportation.....	211,000	52,945	263,945	276,898	(12,953)
<b>TOTAL TRANSPORTATION.....</b>	<b>960,150</b>	<b>55,020</b>	<b>1,015,170</b>	<b>1,028,123</b>	<b>(12,953)</b>
<b>EMPLOYEE BENEFITS.....</b>	<b>1,742,360</b>	<b>(14,768)</b>	<b>1,727,592</b>	<b>1,727,592</b>	<b>-</b>
<b>TOTAL EXPENDITURES.....</b>	<b>14,991,750</b>	<b>-</b>	<b>14,991,750</b>	<b>15,004,701</b>	<b>(12,951)</b>
<b>OTHER FINANCING USES:</b>					
Transfers out:					
Special revenue funds:					
Other operating fund.....	55,610		55,610	55,610	-
Workers' compensation fund.....	57,750		57,750	57,750	-
Capital projects.....	62,890		62,890	62,890	-
Debt service fund.....	670,000		670,000	670,000	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>846,250</b>	<b>-</b>	<b>846,250</b>	<b>846,250</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 15,838,000</b>	<b>\$ -</b>	<b>\$ 15,838,000</b>	<b>\$ 15,850,951</b>	<b>\$ (12,951)</b>

(Concluded)

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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.

## **Other Operating Fund**

This fund is used to account for miscellaneous programs of the Region.

## **Education Grants Fund**

This fund is used to account for various state and federal education grant programs.

## **Workers' Compensation Fund**

This fund is used to control premium costs of workers' compensation insurance.

## **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

REGIONAL SCHOOL DISTRICT NO. 19

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2006

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OTHER OPERATING FUND	EDUCATION GRANTS FUND	WORKERS' COMPENSATION FUND	TOTAL		
<u>ASSETS</u>						
Receivables:						
Intergovernmental.....	\$ 200,915	\$ 75,279	\$	\$ 276,194	\$	\$ 276,194
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES:</u>						
Accounts payable.....	\$	\$ 6,349	\$	\$ 6,349	\$ 28,709	\$ 35,058
Due to other funds.....	132,634	62,465	4,783	199,882	73,426	273,308
Unearned revenue.....		6,376		6,376		6,376
TOTAL LIABILITIES.....	132,634	75,190	4,783	212,607	102,135	314,742
<u>FUND BALANCES:</u>						
Unreserved and undesignated.....	68,281	89	(4,783)	63,587	(102,135)	(38,548)
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 200,915	\$ 75,279	\$ -	\$ 276,194	\$ -	\$ 276,194

**REGIONAL SCHOOL DISTRICT NO. 19**

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2006

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OTHER OPERATING FUND	EDUCATION GRANTS FUND	WORKERS' COMPENSATION FUND	TOTAL		
REVENUES:						
Intergovernmental.....	\$ 415,729	\$ 275,952	\$	\$ 691,681	\$	\$ 691,681
Charges for services.....	219,684			219,684		219,684
Investment income.....	104			104		104
Other.....	14,554			14,554		14,554
TOTAL REVENUES.....	650,071	275,952	-	926,023	-	926,023
EXPENDITURES:						
Current:						
Instructional programs.....	633,002	275,326		908,328		908,328
Employee benefits.....			88,683	88,683		88,683
Capital outlay.....	6,670			6,670	135,865	142,535
TOTAL EXPENDITURES.....	639,672	275,326	88,683	1,003,681	135,865	1,139,546
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	10,399	626	(88,683)	(77,658)	(135,865)	(213,523)
OTHER FINANCING SOURCES:						
Transfers in.....	55,610		57,750	113,360	62,890	176,250
NET CHANGE IN FUND BALANCES.....	66,009	626	(30,933)	35,702	(72,975)	(37,273)
FUND BALANCES - JULY 1, 2005.....	2,272	(537)	26,150	27,885	(29,160)	(1,275)
FUND BALANCES - JUNE 30, 2006.....	\$ 68,281	\$ 89	\$ (4,783)	\$ 63,587	\$ (102,135)	\$ (38,548)

REGIONAL SCHOOL DISTRICT NO. 19

CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - PROJECT BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006

	FISCAL YEAR AUTHORIZED	PROJECT BUDGET	CUMULATIVE PRIOR YEAR PROJECT REVENUES AND OTHER SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT BUDGET
Special projects.....	2002-03	\$ 198,536	\$ 198,536	\$	\$ 198,536	\$ -
Student lockers.....	2002-03	6,000	6,000		6,000	-
Renovate Reynolds School.....	2003-04	2,725,000			-	2,725,000
Computer equipment.....	2003-04	125,000	25,000	50,000	75,000	50,000
Gym entrance doors.....	2005-06	5,000		5,000	5,000	-
Language wing flooring.....	2005-06	7,890		7,890	7,890	-
Replacement van.....	2005-06	30,000			-	30,000
		<u>\$ 3,097,426</u>	<u>\$ 229,536</u>	<u>\$ 62,890</u>	<u>\$ 292,426</u>	<u>\$ 2,805,000</u>

REGIONAL SCHOOL DISTRICT NO. 19

CAPITAL PROJECTS FUND  
SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006

	FISCAL YEAR AUTHORIZED	PROJECT BUDGET	CUMULATIVE PRIOR YEAR PROJECT EXPENDITURES	CURRENT YEAR PROJECT EXPENDITURES AND TRANSFERS	CUMULATIVE PROJECT EXPENDITURES	VARIANCE WITH PROJECT BUDGET
Special projects.....	2002-03	\$ 198,536	\$ 130,466	\$ 2,419	\$ 132,885	\$ 65,651
Student lockers.....	2002-03	6,000			-	6,000
Renovate Reynolds School.....	2003-04	2,725,000	7,663	121,728	129,391	2,595,609
Computer equipment.....	2003-04	125,000	120,566	11,536	132,102	(7,102)
Gym entrance doors.....	2005-06	5,000			-	5,000
Language wing flooring.....	2005-06	7,890			-	7,890
Replacement van.....	2005-06	30,000		182	182	29,818
		<u>\$ 3,097,426</u>	<u>\$ 258,695</u>	<u>\$ 135,865</u>	<u>\$ 394,560</u>	<u>\$ 2,702,866</u>

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# Fiduciary Funds

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

## **Private Purpose Trust Funds**

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

### **Memorial Scholarship Fund**

This fund is used for student scholarships.

## **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.

### **Dependent Care Fund**

This fund is used to account for monies held for dependent care.

### **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.

**REGIONAL SCHOOL DISTRICT NO. 19**

**AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2006**

	BALANCE JULY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2006
<b><u>ASSETS</u></b>				
<b>CASH:</b>				
Student activities fund.....	\$ 350,662	\$ 601,009	\$ 571,995	\$ 379,676
Dependent care fund.....	2,556	17,468	16,800	3,224
Uninsured medical costs fund.....	8,092	26,590	26,782	7,900
<b>TOTAL CASH.....</b>	<b>361,310</b>	<b>645,067</b>	<b>615,577</b>	<b>390,800</b>
<b>ACCOUNTS RECEIVABLE:</b>				
Uninsured medical costs fund.....	1,346	1,861	1,214	1,993
<b>TOTAL ASSETS.....</b>	<b>\$ 362,656</b>	<b>\$ 646,928</b>	<b>\$ 616,791</b>	<b>\$ 392,793</b>
<b><u>LIABILITIES</u></b>				
<b>ACCOUNTS PAYABLE:</b>				
Student activities fund.....	\$ 350,662	\$ 601,009	\$ 571,995	\$ 379,676
Dependent care fund.....	2,556	17,468	16,800	3,224
Uninsured medical costs fund.....	9,438	28,451	27,996	9,893
<b>TOTAL LIABILITIES.....</b>	<b>\$ 362,656</b>	<b>\$ 646,928</b>	<b>\$ 616,791</b>	<b>\$ 392,793</b>

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

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**REGIONAL SCHOOL DISTRICT NO. 19**

**SCHEDULE 10**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
JUNE 30, 2006 AND 2005**

	2006	2005
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>		
Land.....	\$ 858,508	\$ 858,508
Construction in progress.....	121,728	
Buildings.....	44,273,539	44,273,539
Improvements other than buildings.....	1,687,277	1,687,277
Equipment.....	578,826	537,391
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 47,519,878</b>	<b>\$ 47,356,715</b>
<b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:</b>		
Assessments.....	\$ 234,078	\$ 210,334
Intergovernmental.....	401,655	262,236
General obligation bonds.....	31,133,525	31,133,525
Contributions.....	15,750,620	15,750,620
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE.....</b>	<b>\$ 47,519,878</b>	<b>\$ 47,356,715</b>

REGIONAL SCHOOL DISTRICT NO. 19

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 JUNE 30, 2006

	TOTAL	LAND	CONSTRUCTION IN PROGRESS	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT
Instructional programs.....	\$ 415,820	\$	\$	\$	\$	\$ 415,820
Support services.....	9,634					9,634
Curriculum development.....	8,500					8,500
Educational media.....	7,930					7,930
General administration.....	47,046,750	858,508	121,728	44,273,539	1,687,277	105,698
Student activities.....	31,244					31,244
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 47,519,878</b>	<b>\$ 858,508</b>	<b>\$ 121,728</b>	<b>\$ 44,273,539</b>	<b>\$ 1,687,277</b>	<b>\$ 578,826</b>

REGIONAL SCHOOL DISTRICT NO. 19

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2006

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	BALANCE JULY 1, 2005	ADDITIONS	BALANCE JUNE 30, 2006
Instructional programs.....	\$ 398,129	\$ 17,691	\$ 415,820
Support services.....	9,634		9,634
Curriculum development.....	8,500		8,500
Educational media.....	7,930		7,930
General administration.....	46,925,022	121,728	47,046,750
Student activities.....	7,500	23,744	31,244
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS....	<u>\$ 47,356,715</u>	<u>\$ 163,163</u>	<u>\$ 47,519,878</u>

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# Statistical Section

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**TABLE 1**

**REGIONAL SCHOOL DISTRICT NO. 19**

NET ASSETS BY COMPONENT  
LAST FOUR YEARS  
(UNAUDITED)

	FISCAL YEAR			
	2006	2005	2004	2003
Governmental activities:				
Invested in capital assets, net of related debt.....	\$ 18,912,085	\$ 16,916,633	\$ 16,678,978	\$ 17,012,800
Restricted.....	609,801	717,503	718,926	588,682
Unrestricted.....	18,511,387	21,580,404	23,358,007	24,602,904
Total governmental activities net assets.....	<u>\$ 38,033,273</u>	<u>\$ 39,214,540</u>	<u>\$ 40,755,911</u>	<u>\$ 42,204,386</u>

**TABLE 2**

**REGIONAL SCHOOL DISTRICT NO. 19**

CHANGES IN NET ASSETS  
LAST FOUR YEARS  
(UNAUDITED)

	FISCAL YEAR			
	2006	2005	2004	2003
<b>EXPENSES:</b>				
<b>Governmental activities:</b>				
Instructional programs.....	\$ 10,522,487	\$ 9,874,932	\$ 9,703,432	\$ 8,774,066
Guidance services.....	1,098,516	996,455	897,392	885,682
Curriculum development.....	125,774	137,286	35,200	26,853
Educational media.....	234,141	234,550	263,783	253,155
General administration.....	4,050,207	3,814,426	3,535,181	3,059,868
Student activities.....	476,689	476,213	501,131	457,883
Transportation.....	1,091,392	973,189	869,689	873,614
Interest expense.....	1,010,959	1,082,825	1,236,548	1,542,313
<b>TOTAL EXPENSES.....</b>	<b>18,610,165</b>	<b>17,589,876</b>	<b>17,042,356</b>	<b>15,873,434</b>
<b>PROGRAM REVENUES:</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
Instructional programs.....	643,985	543,660	484,024	489,963
Operating grants and contributions.....	1,706,987	1,192,535	1,463,384	1,328,726
Capital grants and contributions.....			239,764	17,095
<b>TOTAL PROGRAM REVENUES.....</b>	<b>2,350,972</b>	<b>1,736,195</b>	<b>2,187,172</b>	<b>1,835,784</b>
<b>NET EXPENSE:</b>				
Governmental activities.....	(16,259,193)	(15,853,681)	(14,855,184)	(14,037,650)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:</b>				
<b>General revenues:</b>				
Assessment to member towns.....	15,026,680	14,279,890	13,391,620	12,692,700
Investment income.....	36,692	23,345	12,205	18,662
Miscellaneous.....	14,554	9,075	2,884	3,925
<b>TOTAL GENERAL REVENUES.....</b>	<b>15,077,926</b>	<b>14,312,310</b>	<b>13,406,709</b>	<b>12,715,287</b>
<b>CHANGE IN NET ASSETS:</b>				
Governmental activities.....	\$ (1,181,267)	\$ (1,541,371)	\$ (1,448,475)	\$ (1,322,363)

**TABLE 3**

**REGIONAL SCHOOL DISTRICT NO. 19**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>GENERAL FUND:</b>										
Reserved.....	\$ 9,143	\$ 47,516	\$ 29,808	\$ 12,803	\$ 40,835	\$ 59,759	\$ 124,880	\$ 134,226	\$ 144,343	\$ 134,597
Unreserved:										
Designated .....					25,000	25,000			50,000	50,000
Undesignated .....	(10,271)	2,679	23,785	21,018	10,293	8,599	7,374	433	12,885	54,400
Total unreserved:	(10,271)	2,679	23,785	21,018	35,293	33,599	7,374	433	62,885	104,400
<b>TOTAL GENERAL FUND.....</b>	<b>\$ (1,128)</b>	<b>\$ 50,195</b>	<b>\$ 53,593</b>	<b>\$ 33,821</b>	<b>\$ 76,128</b>	<b>\$ 93,358</b>	<b>\$ 132,254</b>	<b>\$ 134,659</b>	<b>\$ 207,228</b>	<b>\$ 238,997</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved:										
Debt Service.....	\$ 600,658	\$ 669,987	\$ 689,118	\$ 575,879	\$ 751,367	\$ 44,561	\$ 199,818	\$ 293,077	\$ 258,918	\$ 50,893
Unreserved reported in:										
Special revenue funds.....	63,587	27,885	122,050	246,745	55,214	(95,230)	50,119	65,678	35,176	30,283
Capital projects funds.....	(102,135)	(29,160)	100,501	121,238	161,555	979,745	(75,642)	2,757,713	7,366,247	2,914,136
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS...</b>	<b>\$ 562,110</b>	<b>\$ 668,712</b>	<b>\$ 911,669</b>	<b>\$ 943,862</b>	<b>\$ 968,136</b>	<b>\$ 929,076</b>	<b>\$ 174,295</b>	<b>\$ 3,116,468</b>	<b>\$ 7,660,341</b>	<b>\$ 2,995,312</b>

**REGIONAL SCHOOL DISTRICT NO. 19**

**TABLE 4**

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

	FISCAL YEAR ENDED JUNE 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>REVENUES:</b>										
Assessment to member towns.....	\$ 15,026,680	\$ 14,279,890	\$ 13,391,620	\$ 12,692,700	\$ 11,931,690	\$ 11,199,500	\$ 10,291,270	\$ 9,319,520	\$ 8,542,322	\$ 8,258,785
Intergovernmental.....	3,496,454	3,022,961	3,700,383	3,403,208	3,665,979	4,451,059	4,149,991	2,134,189	1,708,839	1,543,807
Charges for services.....	643,985	543,660	484,024	489,963	499,826	571,671	490,363	345,869	408,330	400,146
Investment income.....	36,692	23,345	12,205	18,662	45,917	114,865	176,155	366,130	402,627	138,416
Other.....	14,554	9,075	2,884	3,925	750	344	51,871	17,876	21,677	6,390
<b>TOTAL REVENUES.....</b>	<b>19,218,365</b>	<b>17,878,931</b>	<b>17,591,116</b>	<b>16,608,458</b>	<b>16,144,162</b>	<b>16,337,439</b>	<b>15,159,650</b>	<b>12,183,584</b>	<b>11,083,795</b>	<b>10,347,544</b>
<b>EXPENDITURES:</b>										
Current:										
Instructional programs.....	8,903,851	8,423,263	8,142,520	7,363,418	7,214,135	6,741,273	6,279,049	5,631,033	5,159,293	4,900,894
Guidance services.....	882,496	836,908	761,316	749,713	715,494	680,842	657,231	629,857	600,584	575,247
Curriculum development.....	32,462	35,174	33,327	25,473	29,257	27,452	38,237	34,427	27,652	24,465
Educational media.....	233,348	233,757	228,843	223,981	209,341	205,802	198,098	203,835	195,213	187,578
General administration.....	2,644,146	2,494,933	2,387,281	2,249,782	2,154,365	2,116,761	1,966,166	1,845,757	1,680,877	1,603,624
Student activities.....	499,384	483,544	459,583	424,632	420,674	408,557	384,877	377,117	337,318	285,163
Transportation.....	1,028,123	924,536	869,689	873,614	723,109	676,086	589,966	593,206	533,043	522,389
Employee benefits.....	2,481,149	2,010,453	1,952,188	1,680,342	1,622,821	1,512,172	1,472,992	1,287,693	1,313,740	1,267,505
Debt service.....	2,528,796	2,519,557	2,812,676	2,919,970	2,942,957	2,777,070	2,317,372	1,588,727	1,163,140	628,180
Capital outlay.....	142,535	163,161	92,176	180,892	90,252	478,322	8,950,405	14,608,535	5,439,817	2,244,266
<b>TOTAL EXPENDITURES.....</b>	<b>19,376,290</b>	<b>18,125,286</b>	<b>17,739,599</b>	<b>16,691,817</b>	<b>16,122,405</b>	<b>15,624,337</b>	<b>22,854,393</b>	<b>26,800,187</b>	<b>16,450,677</b>	<b>12,239,311</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(157,925)</b>	<b>(246,355)</b>	<b>(148,483)</b>	<b>(83,359)</b>	<b>21,757</b>	<b>713,102</b>	<b>(7,694,743)</b>	<b>(14,616,603)</b>	<b>(5,366,882)</b>	<b>(1,891,767)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in.....	846,250	837,380	761,790	782,820	797,113	639,073	424,072	533,189	618,476	212,782
Issuance of debt.....			136,062				4,750,000	10,000,000	10,000,000	5,000,000
Transfers out.....	(846,250)	(837,380)	(761,790)	(782,820)	(797,040)	(639,000)	(424,000)	(533,117)	(618,404)	(212,710)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>136,062</b>	<b>-</b>	<b>73</b>	<b>73</b>	<b>4,750,072</b>	<b>10,000,072</b>	<b>10,000,072</b>	<b>5,000,072</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (157,925)</b>	<b>\$ (246,355)</b>	<b>\$ (12,421)</b>	<b>\$ (83,359)</b>	<b>\$ 21,830</b>	<b>\$ 713,175</b>	<b>\$ (2,944,671)</b>	<b>\$ (4,616,531)</b>	<b>\$ 4,633,190</b>	<b>\$ 3,108,305</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>	<b>13.15%</b>	<b>14.03%</b>	<b>15.94%</b>	<b>17.69%</b>	<b>18.36%</b>	<b>18.34%</b>	<b>16.67%</b>	<b>13.03%</b>	<b>10.56%</b>	<b>6.28%</b>

REGIONAL SCHOOL DISTRICT NO. 19

TAXABLE GRAND LISTS, TAX LEVY AND TAX COLLECTIONS  
MEMBER TOWNS  
LAST TEN YEARS  
(UNAUDITED)

The following table sets forth the net taxable grand lists, the amount of annual property tax levy and the tax collection record of the member towns for the last ten fiscal years.

<u>ASHFORD</u>						
YEAR ENDED JUNE 30,	NET TAXABLE GRAND LIST	TAX RATE/ \$1,000	TOTAL ADJ. TAX LEVY	PERCENT COLLECTED END OF EACH YEAR	UNCOLLECTED TAXES	
					END OF EACH YEAR	AS OF JUNE 30, 2006
1997	\$ 145,601,854	26.00	\$ 3,796,875	97.5%	\$ 93,783	\$ 4,784
1998	148,451,240	27.00	4,097,443	97.9%	84,698	5,618
1999	152,232,210	28.00	4,324,145	98.3%	73,818	4,244
2000	157,411,650	31.00	4,968,599	98.1%	92,898	6,775
2001	163,689,470	31.00	5,137,129	97.8%	113,321	8,093
2002	169,337,960	33.00	5,663,674	97.8%	127,310	10,069
2003	178,435,038	34.50	6,143,270	98.1%	117,434	18,256
2004	212,592,790	29.00	6,261,220	97.8%	134,660	46,298
2005	221,703,180	31.00	6,974,377	98.3%	115,710	51,547
2006	235,546,430	31.60	7,465,732	98.2%	136,513	136,513

<u>MANSFIELD</u>						
YEAR ENDED JUNE 30,	NET TAXABLE GRAND LIST	TAX RATE/ \$1,000	TOTAL ADJ. TAX LEVY	PERCENT COLLECTED END OF EACH YEAR	UNCOLLECTED TAXES	
					END OF EACH YEAR	AS OF JUNE 30, 2006
1997	\$ 481,645,090	25.56	\$ 12,390,572	98.0%	\$ 252,172	\$ 361
1998	490,206,418	25.56	12,628,492	97.9%	269,524	361
1999	495,721,014	25.56	12,368,540	98.2%	222,286	1,362
2000	505,885,526	25.56	13,053,176	98.4%	207,934	3,532
2001	512,226,781	26.13	13,552,260	98.4%	219,412	4,508
2002	537,747,140	26.35	14,333,193	98.6%	196,783	4,387
2003	555,647,065	27.50	15,487,465	98.2%	282,750	16,621
2004	585,736,365	29.94	17,404,974	98.5%	264,687	54,403
2005	594,074,238	30.96	18,325,498	98.4%	285,979	149,186
2006	865,840,481	22.01	19,182,873	98.6%	264,663	264,663

<u>WILLINGTON</u>						
YEAR ENDED JUNE 30,	NET TAXABLE GRAND LIST	TAX RATE/ \$1,000	TOTAL ADJ. TAX LEVY	PERCENT COLLECTED END OF EACH YEAR	UNCOLLECTED TAXES	
					END OF EACH YEAR	AS OF JUNE 30, 2006
1997	\$ 291,686,363	19.10	\$ 5,592,223	98.7%	\$ 74,273	\$
1998	310,340,643	18.85	5,841,035	98.9%	66,057	
1999	323,797,290	19.35	6,104,292	99.0%	62,335	
2000	326,963,612	20.90	6,884,498	99.2%	51,893	
2001	274,734,190	25.70	7,116,435	99.5%	33,486	1,671
2002	279,602,000	26.50	7,688,819	99.5%	35,078	1,918
2003	290,692,347	27.25	8,009,889	99.4%	47,756	1,972
2004	295,322,996	28.80	8,730,487	99.4%	55,212	8,775
2005	371,259,277	24.77	9,263,063	99.5%	49,463	15,635
2006	377,304,730	25.73	9,709,774	99.3%	67,222	67,222

REGIONAL SCHOOL DISTRICT NO. 19

TAXABLE GRAND LISTS - MEMBER TOWNS  
LAST TEN YEARS  
(UNAUDITED)

GRAND LIST AS OF OCTOBER 1	RESIDENTIAL REAL PROPERTY	%	UTILITIES COMMERCIAL & INDUSTRIAL REAL PROPERTY	%	ALL OTHER LAND	%	PERSONAL PROPERTY	%	MOTOR VEHICLE	%	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST	TOTAL DIRECT RATE
<u>ASHFORD</u>														
1995	\$ 117,803,865	80.2%	\$ 8,300,920	5.7%	\$ 1,439,810	1.0%	\$ 4,119,868	2.8%	\$ 15,089,391	10.3%	\$ 146,753,854	\$ 1,152,000	\$ 145,601,854	26.00
1996	119,298,890	79.7%	8,319,150	5.6%	1,441,790	1.0%	4,651,970	3.1%	15,911,330	10.6%	149,623,130	1,171,890	148,451,240	27.00
1997	121,391,850	79.1%	8,822,290	5.8%	1,441,840	0.9%	5,297,370	3.5%	16,451,150	10.7%	153,404,500	1,172,290	152,232,210	28.00
1998	121,893,620	76.8%	8,013,430	5.1%	5,280,020	3.3%	5,492,630	3.5%	17,905,790	11.3%	158,585,490	1,173,840	157,411,650	31.00
1999	125,555,250	76.1%	8,348,280	5.1%	5,211,500	3.2%	6,299,850	3.8%	19,529,830	11.8%	164,944,710	1,255,240	163,689,470	31.00
2000	128,641,410	75.5%	8,760,670	5.1%	5,219,620	3.1%	6,831,800	4.0%	21,047,770	12.3%	170,501,270	1,163,310	169,337,960	33.00
2001	133,282,394	74.2%	8,801,352	4.9%	5,222,404	2.9%	7,025,040	3.9%	25,272,128	14.1%	179,603,318	1,168,280	178,435,038	34.50
2002	164,213,420	76.8%	11,612,370	5.4%	7,040,630	3.3%	7,252,940	3.4%	23,620,320	11.1%	213,739,680	1,146,890	212,592,790	29.00
2003	173,370,270	77.8%	11,836,220	5.3%	6,809,390	3.1%	7,618,020	3.4%	23,242,830	10.4%	222,876,730	1,173,550	221,703,180	31.00
2004	181,553,680	77.1%	12,416,090	5.3%	6,995,310	3.0%	8,215,750	3.5%	26,165,600	11.1%	235,346,430	1,174,050	234,172,380	31.60
<u>MANSFIELD</u>														
1995	\$ 337,911,010	69.8%	\$ 72,702,035	15.0%	\$ 10,058,590	2.1%	\$ 16,390,293	3.4%	\$ 47,090,381	9.7%	\$ 484,152,309	\$ 2,507,219	\$ 481,645,090	25.56
1996	342,739,780	69.6%	73,491,425	14.9%	9,897,720	2.0%	17,251,459	3.5%	49,425,720	10.0%	492,806,104	2,599,686	490,206,418	25.56
1997	345,860,180	69.3%	74,042,470	14.9%	9,908,730	2.0%	18,064,828	3.6%	50,685,753	10.2%	498,561,961	2,840,947	495,721,014	25.56
1998	349,339,490	68.6%	74,470,470	14.6%	9,845,530	1.9%	18,734,640	3.7%	56,825,867	11.2%	509,215,997	3,330,471	505,885,526	25.56
1999	355,732,580	69.0%	74,608,010	14.5%	9,114,790	1.7%	18,961,001	3.7%	57,169,897	11.1%	515,586,278	3,359,497	512,226,781	26.13
2000	393,635,960	72.6%	62,007,250	11.5%	4,300,240	0.8%	19,819,353	3.7%	61,593,730	11.4%	541,356,533	3,609,393	537,747,140	26.35
2001	402,098,470	71.8%	67,035,210	12.0%	3,370,640	0.6%	23,498,820	4.2%	63,581,361	11.4%	559,584,501	3,937,436	555,647,065	27.50
2002	411,876,590	69.9%	79,082,060	13.4%	3,850,720	0.7%	28,549,730	4.8%	66,074,095	11.2%	589,433,195	3,696,830	585,736,365	29.94
2003	423,877,050	70.9%	68,463,490	11.5%	3,940,460	0.7%	30,133,670	5.0%	71,181,641	11.9%	597,596,311	3,522,073	594,074,238	30.96
2004	658,941,733	74.9%	106,028,890	12.0%	8,116,630	0.9%	32,199,575	3.7%	74,895,444	8.5%	880,182,272	5,186,612	874,995,660	22.01
<u>WILLINGTON</u>														
1995	\$ 206,704,395	70.6%	\$ 36,695,730	12.5%	\$ 17,564,695	6.0%	\$ 7,221,003	2.5%	\$ 24,614,578	8.4%	\$ 292,800,401	\$ 1,114,038	\$ 291,686,363	19.10
1996	209,314,205	67.2%	53,721,530	17.2%	15,402,915	4.9%	7,666,170	2.5%	25,443,483	8.2%	311,548,303	1,207,660	310,340,643	18.85
1997	211,780,025	65.2%	55,728,650	17.1%	15,173,785	4.7%	16,000,360	4.9%	26,280,550	8.1%	324,963,370	1,166,080	323,797,290	19.35
1998	214,896,493	65.5%	55,603,570	16.9%	13,925,875	4.2%	16,517,070	5.0%	27,531,064	8.4%	328,474,072	1,510,460	326,963,612	20.90
1999	148,225,270	53.6%	50,344,680	18.2%	31,614,400	11.4%	16,509,680	6.0%	29,840,320	10.8%	276,534,350	1,800,160	274,734,190	25.70
2000	150,776,200	53.6%	51,692,020	18.4%	31,969,520	11.3%	15,596,580	5.5%	31,494,920	11.2%	281,529,240	1,927,240	279,602,000	26.50
2001	153,891,310	52.5%	51,779,050	17.7%	32,403,150	11.1%	22,132,890	7.6%	32,382,367	11.1%	292,588,767	1,896,420	290,692,347	27.25
2002	158,046,388	53.2%	52,169,700	17.6%	32,647,420	11.0%	20,550,560	6.9%	33,659,368	11.3%	297,073,436	1,750,440	295,322,996	28.80
2003	217,488,320	58.3%	70,423,910	18.9%	40,913,540	11.0%	10,823,110	2.9%	33,168,857	8.9%	372,817,737	1,558,460	371,259,277	24.77
2004	222,076,160	58.6%	69,383,970	18.3%	40,872,050	10.8%	11,060,910	2.9%	35,268,590	9.3%	378,661,680	1,356,950	377,304,730	25.73

REGIONAL SCHOOL DISTRICT NO. 19

PRINCIPAL TAXPAYERS OF THE MEMBER TOWNS  
FOR CURRENT ASSESSMENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

ASHFORD

TAXPAYER	NATURE OF BUSINESS	GRAND LIST YEAR					
		2004			1995		
		ASSESSED VALUE	RANK	PERCENTAGE *	ASSESSED VALUE	RANK	PERCENTAGE *
Connecticut Light & Power Co., The	Public Utility	\$ 2,106,580	1	0.90%	\$ 1,282,600	1	0.88%
Mercier, Normand & Denise	Equestrian Center	1,894,350	2	0.81%			
West Hartford Enterprise IV, LLC	Apartments	1,224,800	3	0.52%			
Ashford Hills Associates, Inc.	Apartments	1,108,720	4	0.47%			
Grove Corporation	Commercial	1,102,230	5	0.47%			
Kaplan, Samuel & Rosenfield, Norman	Lodging	1,049,940	6	0.45%			
T & S of CT, LLC	Commercial	964,440	7	0.41%			
Specyalski, Edmund Jr & Adeline	Campground	959,380	8	0.41%			
Cadlerock Properties Joint Venture, LP	Commercial	958,790	9	0.41%	538,680	7	0.37%
Woodlawn Apartments, LLC	Apartments	914,670	10	0.39%	561,110	6	0.39%
Harrington, John	Apartments				878,220	2	0.60%
Select Equity Limited	Apartments				797,310	3	0.55%
Ashford Motel	Motel				738,800	4	0.51%
Scranton, David E.	Apartments				594,570	5	0.41%
C & M Developers	Developers				484,360	8	0.33%
Feldman & Goodwin	Chicken Farm				455,230	9	0.31%
Larson, Richard W.	Apartments				452,560	10	0.31%
		<u>\$ 12,283,900</u>		<u>5.24%</u>	<u>\$ 6,783,440</u>		<u>4.66%</u>

Source: Town Assessor Department

\* Based on the net taxable Grand List for October 1, 2004 and October 1, 1995 of \$234,172,380 and \$145,601,854.

MANSFIELD

TAXPAYER	NATURE OF BUSINESS	GRAND LIST YEAR					
		2004			1995		
		ASSESSED VALUE	RANK	PERCENTAGE *	ASSESSED VALUE	RANK	PERCENTAGE *
Connecticut Light & Power Co.	Public Utility	\$ 8,963,410	1	1.02%	\$ 4,845,060	2	1.01%
U of C 242, LLC	Apartments	6,843,270	2	0.78%			
Celeron Square Assoc	Apartments	6,496,280	3	0.74%	4,677,330	4	0.97%
Mansfield-Eastbrook Dev Corp	Eastbrook Mall	5,600,000	4	0.64%	10,050,710	1	2.09%
New Samaritan Corp	Nursing Home	5,318,250	5	0.61%	4,513,590	5	0.94%
Colonial BT, LLC	Apartments	5,141,430	6	0.59%	4,733,610	3	0.98%
Glen Ridge Cooperative	Housing Co-op	4,270,490	7	0.49%	2,162,370	10	0.45%
Storrs Run LTD Partnership	Apartments	3,956,470	8	0.45%			
Orchard Acres Prop LLC	Apartments	3,744,230	9	0.43%			
Hayes-Kaufman Mansfield Associates	Shopping Plaza	3,713,920	10	0.42%	2,429,420	8	0.50%
Sanderson, Owen Mark	Apartments/Commercial				3,878,050	6	0.81%
New England Savings Bank c/o FDIC	Renwood Condominiums				3,180,240	7	0.66%
Mansfield Retirement Community	Elderly Housing				2,234,890	9	0.46%
		<u>\$ 54,047,750</u>		<u>6.17%</u>	<u>\$ 42,705,270</u>		<u>8.87%</u>

Source: Town Assessor Department

\* Based on the net taxable Grand List for October 1, 2004 and October 1, 1995 of \$874,995,660 and \$481,645,090.

WILLINGTON

TAXPAYER	NATURE OF BUSINESS	GRAND LIST YEAR					
		2004			1995		
		ASSESSED VALUE	RANK	PERCENTAGE *	ASSESSED VALUE	RANK	PERCENTAGE *
Services Development Corporation	Commercial Land and Building	\$ 26,545,360	1	7.04%	\$ 5,238,270	2	1.80%
Royce Properties, LLC	Truckstops of America	7,518,820	2	1.99%			
GLK Realty Ltd Partnership	Apartments	7,297,940	3	1.93%	6,072,330	1	2.08%
Willington Oaks Apartments LLC	Apartments	3,540,360	4	0.94%			
Storrs Polo Run Limited Partnership	Apartments	3,261,200	5	0.86%			
Connecticut Light & Power Co.	Public Utility	2,674,800	6	0.71%	1,998,010	5	0.68%
Lawrence Becker	Land and Building	2,250,590	7	0.60%	1,565,920	6	0.54%
C&S Willington Ltd Partnership	Retail Plaza	1,647,970	8	0.44%			
Ruby Associates General Partnership	Land	1,477,000	9	0.39%	1,314,430	10	0.45%
Fedex Ground Package System	Machinery & Equipment	1,348,620	10	0.36%			
WHBB Real Estate Ltd Partnership	Apartments				4,349,930	3	1.49%
Shapiro Family Enterprises	Apartments				3,066,600	4	1.05%
Joseph Mihalik	Land and Construction				1,502,940	7	0.52%
Ridgeview Heights Limited Partnership	Apartments				1,445,560	8	0.50%
Eighty Seven Ruby Road Corporation	Apartments				1,328,550	9	0.46%
		<u>\$ 57,562,660</u>		<u>15.26%</u>	<u>\$ 27,882,540</u>		<u>9.57%</u>

Source: Town Assessor Department

\* Based on the net taxable Grand List for October 1, 2004 and October 1, 1995 of \$377,304,730 and \$291,686,363.

TABLE 8

REGIONAL SCHOOL DISTRICT NO. 19

RATIO OF OUTSTANDING DEBT TO ASSESSED VALUE  
AND DEBT PER CAPITA FOR MEMBER TOWNS  
LAST TEN YEARS  
(UNAUDITED)

<u>ASHFORD</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1997	4,000	\$ 145,601,854	\$ 2,945,000	2.0%	\$ 736
1998	4,000	148,451,240	2,690,000	1.8%	673
1999	4,000	152,232,210	2,435,000	1.6%	609
2000	3,978	157,411,650	3,330,612	2.1%	837
2001	4,098	163,689,470	3,157,500	1.9%	770
2002	4,107	169,337,960	2,896,461	1.7%	705
2003	4,107	178,435,038	6,212,565	3.5%	1,513
2004	4,200	212,592,790	6,168,471	2.9%	1,469
2005	4,240	221,703,180	6,001,568	2.7%	1,415
2006	4,280	235,546,430	5,939,262	2.5%	1,388

<u>MANSFIELD</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1997	19,500	\$ 481,645,090	\$ 7,917,754	1.6%	\$ 406
1998	19,500	490,206,418	6,982,065	1.4%	358
1999	20,000	495,721,014	8,346,376	1.7%	417
2000	20,500	505,885,526	7,410,688	1.5%	361
2001	20,720	512,226,781	8,805,000	1.7%	425
2002	22,000	537,747,140	7,715,000	1.4%	351
2003	23,700	555,647,065	6,540,000	1.2%	276
2004	25,000	585,736,365	5,780,000	1.0%	231
2005	25,200	594,074,238	4,800,000	0.8%	190
2006	25,800	865,840,481	3,970,000	0.5%	154

<u>WILLINGTON</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1997	6,309	\$ 291,686,363	\$ 2,232,368	0.8%	\$ 354
1998	6,153	310,340,643	3,381,367	1.1%	550
1999	6,131	323,797,290	2,935,367	0.9%	479
2000	5,962	326,963,612	2,489,367	0.8%	418
2001	5,959	274,734,190	2,175,000	0.8%	365
2002	6,071	279,602,000	1,875,000	0.7%	309
2003	6,116	290,692,347	1,575,000	0.5%	258
2004	6,116	295,322,996	1,275,000	0.4%	208
2005	6,116	371,259,277	975,000	0.3%	159
2006	6,356	377,304,730	780,000	0.2%	123

\* Grand List is October 1 of two years prior to fiscal year end.

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

REGIONAL SCHOOL DISTRICT NO. 19

RATIO OF DEBT SERVICE EXPENDITURES TO GENERAL FUND EXPENDITURES  
FOR MEMBER TOWNS - BUDGETARY BASIS  
LAST TEN YEARS  
(UNAUDITED)

<u>ASHFORD</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1997	\$ 484,847	\$ 7,653,274	6.3%
1998	351,021	7,875,461	4.5%
1999	339,491	8,428,770	4.0%
2000	242,411	8,401,651	2.9%
2001	372,079	9,303,072	4.0%
2002	384,524	9,465,144	4.1%
2003	402,563	11,207,770	3.6%
2004	417,450	11,269,699	3.7%
2005	417,493	11,316,925	3.7%
2006	568,868	12,348,959	4.6%

<u>MANSFIELD</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1997	\$ 1,638,275	\$ 23,223,334	7.1%
1998	1,161,328	23,826,587	4.9%
1999	1,293,558	25,462,958	5.1%
2000	1,189,692	27,724,090	4.3%
2001	1,273,412	28,768,868	4.4%
2002	1,312,352	30,184,366	4.3%
2003	1,348,975	31,061,554	4.3%
2004	1,349,440	32,522,045	4.1%
2005	1,241,507	34,702,002	3.6%
2006	1,046,239	37,613,822	2.8%

<u>WILLINGTON</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1997	\$ 617,784	\$ 9,817,385	6.3%
1998	576,250	10,011,676	5.8%
1999	555,929	10,420,185	5.3%
2000	477,565	10,944,094	4.4%
2001	448,149	11,430,835	3.9%
2002	414,495	11,773,656	3.5%
2003	396,025	12,123,835	3.3%
2004	378,425	12,624,289	3.0%
2005	361,754	13,221,773	2.7%
2006	240,081	13,740,920	1.7%

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

**TABLE 10****REGIONAL SCHOOL DISTRICT NO. 19**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	SCHOOL CONSTRUCTION GRANTS RECEIVABLE	GROSS DEBT PER STUDENT	NET DEBT PER STUDENT
1997	\$ 5,180,000	\$ 2,973,598	\$ 5,476	\$ 2,332
1998	14,920,000	10,891,127	14,831	4,004
1999	24,660,000	18,692,219	24,059	5,822
2000	28,725,000	19,868,727	26,066	8,037
2001	27,675,000	19,111,704	23,276	7,202
2002	26,375,000	18,468,500	22,239	6,667
2003	25,000,000	17,453,360	19,794	5,975
2004	24,465,000	17,133,200	19,309	5,787
2005	22,965,000	16,060,009	18,313	5,506
2006	21,385,000	14,947,893	16,839	5,069

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

**TABLE 11****REGIONAL SCHOOL DISTRICT NO. 19**

RATIO OF DEBT SERVICE EXPENDITURES TO SCHOOL EXPENDITURES  
GAAP BASIS  
LAST TEN YEARS  
GENERAL AND SPECIAL REVENUE FUNDS  
(UNAUDITED)

YEAR ENDED JUNE 30,	GROSS DEBT SERVICE	TOTAL SCHOOL EXPENDITURES	PERCENT
1997	\$ 628,180	\$ 9,199,983	6.8%
1998	1,163,140	9,852,116	11.8%
1999	1,588,727	10,602,925	15.0%
2000	2,317,372	11,717,241	19.8%
2001	2,777,070	12,640,685	22.0%
2002	2,942,957	13,159,652	22.4%
2003	2,919,970	13,700,030	21.3%
2004	2,812,676	14,906,186	18.9%
2005	2,519,557	15,605,729	16.1%
2006	2,528,796	16,847,494	15.0%

**TABLE 12****REGIONAL SCHOOL DISTRICT NO. 19**

EDWIN O. SMITH HIGH SCHOOL ENROLLMENT  
 JUNE 30, 2006  
 (UNAUDITED)

YEAR ENDED JUNE 30,	ASHFORD	MANSFIELD	WILLINGTON	OTHER TUITION	TOTAL
1999	185	523	259	58	1,025
2000	203	577	265	57	1,102
2001	224	619	277	69	1,189
2002	231	631	260	64	1,186
2003	246	662	285	70	1,263
2004	259	658	296	54	1,267
2005	253	646	299	56	1,254
2006	259	664	293	54	1,270
PROJECTED:					
2007	241	649	252	57	1,199
2008	230	654	238	57	1,179
2009	229	629	254	57	1,169
2010	239	611	255	57	1,162

Source: State Department of Education

**REGIONAL SCHOOL DISTRICT NO. 19**

DISTRICT AND MEMBER TOWN INDEBTEDNESS AND  
 COMPUTATION OF DEBT LIMIT AND DEBT MARGIN - THE DISTRICT  
 JUNE 30, 2006  
 (UNAUDITED)

	TOWN OF			
	ASHFORD	MANSFIELD	WILLINGTON	TOTAL
Total Fiscal Year 2005-06				
Tax Collections (including interest and tax lien fees).....	\$ 7,469,963	\$ 18,971,461	\$ 9,727,054	\$ 36,168,478
State Reimbursement for Revenue				
Loss on:				
Relief for Elderly Freeze.....	10,930	1,840		12,770
Base for Establishing Debt Limit.....	<u>\$ 7,480,893</u>	<u>\$ 18,973,301</u>	<u>\$ 9,727,054</u>	<u>\$ 36,181,248</u>
Debt Limit:				
Limit for School Building Purposes (2.25 times base).....				<u>\$ 81,407,808</u>
Indebtedness:				
Serial Bonds Outstanding:				
Region 19.....				21,385,000
Less: State Grants Receivable:				
Region 19.....				<u>14,947,891</u>
Net Indebtedness.....				<u>6,437,109</u>
Debt Limitation in Excess of Net Indebtedness.....				<u>\$ 74,970,699</u>

**TABLE 14****REGIONAL SCHOOL DISTRICT NO. 19****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>
1997	\$ 50,231,336	\$ 8,281,852	\$ 41,949,484	16.49%
1998	51,529,892	8,442,900	43,086,992	16.38%
1999	53,406,196	5,967,781	47,438,415	11.17%
2000	56,105,926	8,134,683	47,971,243	14.50%
2001	58,363,994	8,043,109	50,320,885	13.78%
2002	62,590,748	8,012,716	54,578,032	12.80%
2003	66,880,010	7,579,259	59,300,751	11.33%
2004	73,753,445	7,353,546	66,399,899	9.97%
2005	78,454,447	6,826,735	71,627,712	8.70%
2006	81,407,808	6,437,109	74,970,699	7.91%

219-00

**STRATEGIC SCHOOL PROFILE 2005-06**

**Regional School District 19**

**BRUCE W SILVA, Superintendent**

Telephone: (860) 487-1862



This profile was produced by the Connecticut State Department of Education in accordance with CT General Statutes 10-220(c).

**COMMUNITY DATA**

County: Windham, Tolland  
 2000 Population: 30,777  
 1990-2000 Population Growth: -0.2%  
 2000 Per Capita Income: \$20,897  
 Number of Public Schools: 1  
 Number of Nonpublic Schools: 1

Public School Enrollment as a Percent of Town Population: 4.1%  
 Public School Enrollment as % of Total Student Population: 95.9%  
 Percent of Adults without a High School Diploma in 2000: 7.1%  
 Adult Education Enrollment in 2004-05 School Year: 96  
 Number of Adults Receiving Diplomas in 2004-05 School Yr.: 27

District Reference Group (DRG): C DRG is a classification of districts whose students' families are similar in education, income, occupation, and need, and that have roughly similar enrollment.

**DISTRICT NEED**

Current and Past District Need	Year	District	DRG	State
% of Students Eligible for Free/Reduced-Price Meals	2005-06	5.6	4.2	26.9
	2002-03	6.7	N/A	25.4
% of K-12 Students with Non-English Home Language	2005-06	1.1	1.3	12.6
	2000-01	4.2	N/A	12.5
% of Elementary and Middle School Students Above Entry Gr. Who Attended Same School Previous Yr.	2005-06	N/A	N/A	N/A
	2000-01	N/A	N/A	N/A
% of Kindergarten Students who Attended Preschool, Nursery School, or Headstart	2005-06	N/A	N/A	N/A
	2000-01	N/A	N/A	N/A
% of Juniors and Seniors Working More Than 16 Hours Per Week	2005-06	19.5	22.7	21.7
	2000-01	24.2	N/A	31.7

**STUDENT ENROLLMENT AND RACE/ETHNICITY**

<b>Enrollment</b>	
Grade Range	9-12
Total Enrollment	1,270
5-Year Enrollment Change	6.8%
Projected 2010 Enrollment	
Elementary	0
Middle School	0
High School	1,154
Prekindergarten, Other	0

Race/Ethnicity	Number	Percent
American Indian	7	0.6
Asian American	63	5.0
Black	28	2.2
Hispanic	38	3.0
White	1,134	89.3
Total Minority 2005-06	136	10.7
Total Minority 2000-01	111	9.3

219-00

**EFFORTS TO REDUCE RACIAL, ETHNIC, AND ECONOMIC ISOLATION**

Connecticut law requires that school districts provide educational opportunities for its students to interact with students and teachers from diverse racial, ethnic, and economic backgrounds. This may occur through magnet school programs, public school choice programs, charter schools, minority staff recruitment, inter- or intradistrict programs and projects, distance learning, or other experiences. Below is the description submitted by this school district of how it provides such experiences.

Edwin O. Smith High School continues its involvement in programs that expand our interactions with students from varying backgrounds. Students and staff participated in the following programs:

**Project Reach**

A total of 20 students and two staff members attended a workshop designed to train students to incorporate programs in schools that help students appreciate other cultures and celebrate “differences.” Workshop participants also learned how to address negative behaviors in the school environment. This group will serve as a training team for students and staff and are responsible for providing a “peer response” to reported incidents of insensitivity among students.

**Sister School**

E.O. Smith has adopted the Hekima Girl’s School in Kenya as a sister school. For the second summer in a row, staff from E.O. Smith traveled to Kenya to provide work relief and deliver supplies. E.O. Smith has contributed significantly to the construction of the schools’ library through a series of donations from its students and staff.

**Hurricane Katrina**

A group of students and staff performed a relief mission over the February school vacation to the people of Biloxi, Mississippi whose homes were devastated by Hurricane Katrina. The group established and maintains personal connections with shelter organizers and fellow volunteers.

**Crossing the Divide**

Our Crossing the Divide program continues to provide learning opportunities for students in the areas of racial, ethnic and economic isolation. In 2005 a week-long teach-in focused on the social, political, and economic aspects of war and served as the signature event. Students, staff and members of the community were invited to participate or observe debates and informational presentations from guest speakers who have first hand experience in international crises.

**International Exchanges**

E.O. Smith is currently involved in 4 international; exchange programs in Central America and Europe. The exchange programs involve students studying a variety of different languages and cultures.

**DISTRICT RESOURCES**

		Average Class Size		District	DRG	State
<b>Staff Count (Full-Time Equivalent)</b>		Grade K	2005-06	N/A	N/A	N/A
			2000-01	N/A	N/A	N/A
# of Certified Staff	Teachers	101.4	Grade 2	2005-06	N/A	N/A
	Administrators	5.4		2000-01	N/A	N/A
Department Chairs	2.0	Grade 5	2005-06	N/A	N/A	N/A
	2.0		2000-01	N/A	N/A	N/A
Library/Media Staff	11.8	Grade 7	2005-06	N/A	N/A	N/A
	1.6		2000-01	N/A	N/A	N/A
% Minority 2005-06	2.7	High School	2005-06	17.6	18.6	20.3
	2.7		2000-01	19.0	N/A	20.0
% Minority 2000-01	28.6					

<b>Professional Staff Experience and Training</b>	District	DRG	State
Average Number of Years Experience in Connecticut	13.1	13.5	13.1
% with Master’s Degree or Above	78.4	77.3	78.5
% Trained as Mentors, Assessors, or Cooperating Teachers	39.2	31.9	28.5

**DISTRICT RESOURCES, continued**

Total Hours of Instruction Per Yr.*	Dist	DRG	State
Elementary	N/A	N/A	N/A
Middle School	N/A	N/A	N/A
High School	1,049	1,021	1,002

\*State law requires at least 900 hours for gr. 1-12 and full-day kindergarten, and 450 hours for half-day kindergarten.

Resource Ratios	District	DRG	State
Students Per Academic Computer	3.2	3.2	3.4
Students Per Teacher	12.5	13.5	13.6
Teachers Per Administrator	18.1	14.2	13.8

**STUDENT PERFORMANCE**



Physical Fitness	District	State
% Passing All 4 Tests	34.2	35.6

**Connecticut Mastery Test, Fourth Generation, % Meeting State Goal:** The state goal was established with the advice and assistance of a cross section of Connecticut educators. The Goal level is more demanding than the state Proficient level, but not as high as the Advanced level, reported in the No Child Left Behind Report Cards.

Connecticut Mastery Test % Meeting State Goal in:	District	State	Of All Districts in State	
			Lowest %	Highest %
Grade 3	Reading	N/A	N/A	N/A
	Writing	N/A	N/A	N/A
	Mathematics	N/A	N/A	N/A
Grade 4	Reading	N/A	N/A	N/A
	Writing	N/A	N/A	N/A
	Mathematics	N/A	N/A	N/A
Grade 5	Reading	N/A	N/A	N/A
	Writing	N/A	N/A	N/A
	Mathematics	N/A	N/A	N/A
Grade 6	Reading	N/A	N/A	N/A
	Writing	N/A	N/A	N/A
	Mathematics	N/A	N/A	N/A
Grade 7	Reading	N/A	N/A	N/A
	Writing	N/A	N/A	N/A
	Mathematics	N/A	N/A	N/A
Grade 8	Reading	N/A	N/A	N/A
	Writing	N/A	N/A	N/A
	Mathematics	N/A	N/A	N/A



The figures above were calculated differently than those reported in the No Child Left Behind (NCLB) Report Cards. Unlike NCLB figures, these results reflect the performance of students with scoreable tests who were enrolled in the district at the time of testing, regardless of the length of time they were enrolled in the district.

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## STUDENT PERFORMANCE, continued

**Connecticut Academic Performance Test, Second Generation, % Meeting State Goal:** The state Goal was established with the advice and assistance of a cross section of Connecticut educators. Students receive certification of mastery for each area in which they meet or exceed the Goal. The Goal level is more demanding than the state Proficient level, but not as high as the Advanced level, reported in the No Child Left Behind Report Cards.

Conn. Academic Performance Test % Grade 10 Meeting State Goal in:	District	State	Of All Districts in State	
			Lowest %	Highest %
Reading Across the Disciplines	62.2	46.5	0.0	83.1
Writing Across the Disciplines	63.7	52.4	0.0	86.3
Mathematics	66.3	46.3	0.0	82.3
Science	62.2	44.6	0.0	85.3



The figures above were calculated differently than those reported in the No Child Left Behind (NCLB) Report Cards. Unlike NCLB figures, these results reflect the performance of students with scoreable tests who were enrolled in the district at the time of testing, regardless of the length of time they were enrolled in the district.

SAT <sup>®</sup> I: Reasoning Test	Class of 2000	Class of 2005	
	District	District	State
% of Graduates Tested	82.4	80.8	74.9
Mathematics: Average Score	559	551	512
Mathematics: % Scoring 600 or More	37.0	32.7	24.6
Verbal: Average Score	565	557	510
Verbal: % Scoring 600 or More	35.8	36.5	22.7

Dropout Rates	District	State
Cumulative Four-Year Rate for Class of 2005	10.5	7.4
2004-2005 Annual Rate for Grades 9 through 12	2.0	1.7
1999-2000 Annual Rate for Grades 9 through 12	1.0	3.1

Activities of Graduates	Class of	# in District	District %	State %
 Pursuing Higher Education	2005	224	85.8	82.3
	2000	160	76.2	78.5
 Employed or in Military	2005	27	10.3	13.9
	2000	32	15.2	17.6
 Unemployed	2005	0	0.0	0.9
	2000	0	0.0	0.7

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**DISTRICT REVENUES/EXPENDITURES 2004-05**

Expenditures may be supported by local tax revenues, state grants, federal grants, municipal in-kind services, tuition and other sources. DRG and state figures will not be comparable to the district if the school district does not teach both elementary and secondary students.

Expenditures All figures are unaudited.	Total (in 1000s)	Expenditures Per Pupil			
		District	Secondary Districts	DRG	State
Instructional Staff and Services	\$8,527	\$6,816	\$6,907	\$6,184	\$6,555
Instructional Supplies and Equipment	\$409	\$327	\$299	\$269	\$260
Improvement of Instruction and Educational Media Services	\$412	\$329	\$347	\$349	\$391
Student Support Services	\$968	\$774	\$643	\$628	\$656
Administration and Support Services	\$1,704	\$1,362	\$1,586	\$1,125	\$1,153
Plant Operation and Maintenance	\$1,156	\$924	\$1,170	\$1,071	\$1,113
Transportation	\$937	\$776	\$647	\$529	\$522
Costs for Students Tuitioned Out	\$549	N/A	N/A	N/A	N/A
Other	\$552	\$441	\$272	\$117	\$122
<b>Total</b>	<b>\$15,214</b>	<b>\$12,046</b>	<b>\$12,203</b>	<b>\$10,641</b>	<b>\$10,994</b>
<b>Additional Expenditures</b>					
Land, Buildings, and Debt Service	\$2,470	\$1,975	\$2,229	\$1,699	\$1,467
Adult Education	\$86	N/A	N/A	N/A	N/A

**Revenue Sources, % from Source.** Revenue sources do not include state funded Teachers' Retirement Board contributions, vocational-technical school operations, SDE budgeted costs for salaries and leadership activities and other state-funded school districts (e.g., Dept. of Children and Families and Dept. of Corrections).

District Expenditures	Local Revenue	State Revenue	Federal Revenue	Tuition & Other
With School Construction	54.6	40.6	1.7	3.1
Without School Construction	59.3	35.2	2.0	3.6

**Selected Regular Education Expenditures, Amount Per Pupil and Percent Change from Prior Year.** Selected regular education expenditures exclude costs of special education and land, building, and debt service.

Expenditures by Grade Level	District		DRG	State	
	Per Pupil	% Change	Per Pupil	Per Pupil	% Change
<b>Elementary and Middle</b>					
Total	N/A	N/A	\$8,535	\$9,062	5.1
Salaries and Benefits	N/A	N/A	\$6,868	\$7,454	4.7
Supplies	N/A	N/A	\$502	\$513	12.7
Equipment	N/A	N/A	\$147	\$133	16.7
<b>High School</b>					
Total	\$10,353	10.1	\$9,868	\$9,640	3.5
Salaries and Benefits	\$8,276	9.0	\$7,694	\$7,759	3.1
Supplies	\$543	4.2	\$654	\$585	11.6
Equipment	\$146	210.6	\$147	\$152	14.3

219-00

**EQUITABLE ALLOCATION OF RESOURCES AMONG DISTRICT SCHOOLS**

Below is the description submitted by this district of how it allocates resources to insure equity and address needs.

Regional School District #19 is a one school district

**EVIDENCE OF SUSTAINED IMPROVEMENTS IN STUDENT ACCOMPLISHMENTS**

Below is a summary, submitted by this school district, of the major trends in student performance and accomplishments that indicate sustained improvement over time. Also, areas of need are identified and plans to address these needs are presented.

In 2005, E.O. Smith students scored well above the state average scores on the Scholastic Aptitude Test (SAT). SAT scores were also strong when compared to other ERG C schools.

E.O. Smith was successful in making Adequate Yearly Progress (AYP) on the Connecticut Academic Performance Test (CAPT) in 2005 in every testing category.

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**STRATEGIC SCHOOL PROFILE 2005-06**

High School Edition

**E. O. Smith High School**  
**Regional School District 19**

LOUIS F DELORETO, Principal  
 FRANCIS X CRONIN, Asst. Principal  
 ROBERT BUCKLEY, Asst. Principal

Telephone: (860) 487-0877

District Reference Group (DRG): C DRG is a classification of districts whose students' families are similar in education, income, occupation, and need, and that have roughly similar enrollment.

This profile was produced by the Connecticut State Department of Education in accordance with CT General Statutes 10-220(c).

**STUDENT ENROLLMENT**

Total Enrollment: 1270

5-Year Enrollment Change: 6.8%



**TYPE OF SCHOOL**

School Type: Traditional/Regular

School Grade Range: 9-12

**SCHOOL NEED**

Current and Past School Need	Year	School	DRG High Schools	State High Schools
% of Students Eligible for Free/Reduced-Price Meals	2005-06	5.6	3.6	22.4
	2002-03	6.7	N/A	17.6
% of K-12 Students with Non-English Home Language	2005-06	1.1	0.6	11.4
	2000-01	4.2	N/A	11.2
% of Juniors and Seniors Working More than 16 Hours Per Week	2005-06	19.5	22.7	21.7
	2000-01	24.2	N/A	31.7

Enrollment in Special Programs	Students in School	Percent in School	% in DRG High Schools	% in State High Schools
Bilingual Education and English as a Second Language Services (K-12)	14	1.1	0.3	3.4
Compensatory Education	24	1.9	0.8	7.4
Gifted and Talented Program	0	0.0	0.3	1.6
Special Education	185	14.6	10.5	11.0

**STUDENT RACE/ETHNICITY**

<b>Race/Ethnicity</b>	<b>Number</b>	<b>Percent</b>
American Indian	7	0.6
Asian American	63	5.0
Black	28	2.2
Hispanic	38	3.0
White	1134	89.3

**Total Minority 2005-06** 10.7%  
**Total Minority 2000-01** 9.3%



**EFFORTS TO REDUCE RACIAL, ETHNIC, AND ECONOMIC ISOLATION**

Connecticut law requires that school districts provide educational opportunities for their students to interact with students and teachers from diverse racial, ethnic, and economic backgrounds. This may occur through programs with other schools, distance learning, or other experiences. Below is the description submitted by this school of how it provides such experiences.

Edwin O. Smith High School continues its involvement in programs that expand our interactions with students from varying backgrounds. Students and staff participated in the following programs:

**Project REACH**

A total of 20 students and two staff members attended a workshop designed to train students to incorporate programs in schools that help students appreciate other cultures and celebrate "differences." Workshop participants also learned how to address negative behaviors in the school environment. This group will serve as a training team for students and staff and are responsible for providing a "peer response" to reported incidents of insensitivity among students.

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E.O. Smith has adopted the Hekima Girl's School in Kenya as a sister school. For the second summer in a row, staff from E.O. Smith traveled to Kenya to provide work relief and deliver supplies. E.O. Smith has contributed significantly to the construction of the schools' library through a series of donations from its students and staff.

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A group of students and staff performed a relief mission over the February school vacation to the people of Biloxi, Mississippi whose homes were devastated by Hurricane Katrina. The group established and maintains personal connections with shelter organizers and fellow volunteers.

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**International Exchanges**

E.O. Smith is currently involved in 4 international; exchange programs in Central America and Europe. The exchange programs involve students studying a variety of different languages and cultures.

SCHOOL RESOURCES

Instructional Time*	School	DRG High Schools	State High Schools
Total Hours of Instruction Per Year	1,049	1,021	1,002

\*State law requires at least 900 hours for grades 1 through 12.

TECHNOLOGY



% of Classrooms, Libraries, and Laboratories Wired for:	School	DRG High Schools	State High Schools
Video	100.0	86.7	75.3
Voice	100.0	91.6	80.1
Internet Access	100.0	99.9	96.5
Multi-Room Network (LAN)	100.0	99.9	80.6

Computers	School	DRG HS	State HS
# of Students Per Academic Computer	3.2	2.7	3.1
% of Computers that are High or Moderate Power	56.0	89.5	86.1
% of Computers with Internet Access, All Speeds	97.7	97.2	97.6
% of Computers with High Speed Internet Access	97.7	97.2	97.6
% of Internet Computers with Filtering Software	100.0	100.0	98.8

This school has a functional satellite link.

LIBRARY MATERIALS

Free on-line access to periodicals, newspapers, and other resources is available to all Connecticut schools through the Connecticut Digital Library.

Library Materials	School	DRG HS	State HS
# of Print Volumes Per Student*	14.8	18.5	15.7
% of Print Volumes Purchased in the Last Three Years	6.0	9.5	11.7
# of Print Periodical Subscriptions	75	57.8	46.6
# of Non-Print Materials	1,698	755.1	811.0

\*Because a certain number of volumes are needed for a library of adequate breadth and depth, a small school may need a higher number of volumes per student.

STAFFING RESOURCES



Average Class Size	School	DRG	State
Algebra I	16.4	19.5	20.0
Biology I	19.8	18.4	20.1
English, Grade 10	16.9	17.7	19.9
American History	17.2	19.0	21.1

School Staff Count Full-Time Equivalent	2005-06	2004-05
# of Certified Staff		
Teachers	101.4	102.2
Administrators	4.4	4.6
Department Chairs	2.0	1.8
Library/Media Staff	2.0	2.0
Counselors, Social Workers, and School Psychologists	9.8	9.3
Other Professionals	2.0	2.0
# of Non-Certified Instructional	28.6	30.6

Professional Staff Race/Ethnicity	2005-06	2004-05	2000-01
% Minority	1.6	2.4	2.7
Professional Staff Experience and Training	School	DRG High School	State High School
Average Number of Years Experience in CT	13.0	13.3	13.2
% with Master's Degree or Above	78.2	75.2	75.6
% Trained as Mentors, Assessors, or Cooperating Teachers	39.5	29.8	26.8

**SCHOOL PROCESSES**

<b>Student and Teacher Statistics</b>	<b>School</b>	<b>DRG High Schools</b>	<b>State High Schools</b>
% of Students Retained in Grade after 2004-05 School Year	1.3	N/A	4.7
Teacher Attendance, 2004-05: Average # of Days Absent Due to Illness or Personal Time	5.1	6.8	8.3
% Certified Staff Assigned to Same School the Previous Year	92.7	87.8	86.0

<b>Types of Remedial Instructional Services Provided to Students Lacking Basic Skills</b>	<b>Available in Mathematics</b>	<b>Available in Language Arts</b>
Pull-out Instruction	Yes	Yes
In-Class Tutorial	Yes	Yes
After School Program	Yes	Yes
Summer School (2005)	No	No
Other	No	No

<b>% Juniors and Seniors Enrolled in a Course or Courses for College Credit</b>	<b>School</b>	<b>State High Schools</b>
During the 2004-05 School Year	59.3	25.5
During the 1999-2000 School Year	36.5	21.9

<b>Advanced Placement Courses</b>	<b>School</b>	<b>State High Schools</b>
Number of Courses for which Students were Tested	13	8.7
% of Grade 12 Students Tested	2.7	19.3
% of Exams Scored 3 or More*	82.0	71.7

\*A score of three or higher is generally required for earning college credit.

**Interactive Distance Learning:** This school does not utilize interactive distance learning. Interactive distance learning ranges from on-line courses with student-instructor interaction via the internet to live classroom interactions through two-way audio and video transmissions.



<b>Total Number of Credits Required for Graduation</b>	<b>School</b>	<b>DRG</b>	<b>State Requirement</b>
Required for Class of 2005	22.0	23.7	20.0

<b>% of Class of 2005 Graduates who Earned Credit in Selected Subjects</b>	<b>School</b>	<b>State High Schools</b>
Algebra I or Equivalent	91.6	91.1
Chemistry	73.9	70.2
4 or More Credits in Mathematics	34.5	63.3
3 or More Credits in Science	100.0	87.2
4 or More Credits in Social Studies	45.2	53.3
Credit for Level 3 or Higher in the Same World Language	60.2	57.6
2 or More Credits in Vocational Education	50.2	57.1
2 or More Credits in the Arts	46.0	41.5

**STUDENT PERFORMANCE**

**Connecticut Academic Performance Test, Second Generation, % Meeting State Goal:** The state Goal was established with the advice and assistance of a cross section of Connecticut educators. Students receive certification of mastery for each area in which they meet or exceed the Goal. The Goal level is more demanding than the state Proficient level, but not as high as the Advanced level, reported in the No Child Left Behind Report Cards.

Conn. Academic Performance Test % Grade 10 Meeting State Goal in:	School	State	Of All Schools in State	
			Lowest %	Highest %
Reading Across the Disciplines	62.5	46.5	0.0	83.9
Writing Across the Disciplines	63.8	52.4	0.0	91.3
Mathematics	66.7	46.3	0.0	83.3
Science	62.5	44.6	0.0	85.3



The figures above were calculated differently than those reported in the No Child Left Behind (NCLB) Report Cards. Unlike NCLB figures, these results reflect the performance of students with scoreable tests who were enrolled in the district at the time of testing, regardless of the length of time they were enrolled in the district.

SAT® I: Reasoning Test	Class of 2000	Class of 2005	
	School	School	State
% of Graduates Tested	82.4	80.8	74.9
Mathematics: Average Score	559	551	512
Mathematics: % Scoring 600 or More	37.0	32.7	24.6
Verbal: Average Score	565	557	510
Verbal: % Scoring 600 or More	35.8	36.5	22.7

Student Attendance	School	State High School
% on October 1, 2005	97.7	93.9

Physical Fitness, Grade 10 	School	State
% Passing All 4 Tests	34.2	39.1

Dropout Rates	School	State
Cumulative Four-Year Rate for Class of 2005	10.5	7.4
2004-05 Annual Rate for Grade 9 through 12	2.0	1.7
1999-2000 Annual Rate for Gr. 9 through 12	1.0	3.1

Class of 2005: Number of National Merit Scholarship Semi-Finalists: 2



Activities of Graduates	Class of	School	State
% Attending Two- or Four-Year Colleges	2005	84.7	78.3
	2000	72.4	75.4
% Employed or in Military	2005	10.3	13.9
	2000	15.2	17.6

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**EVIDENCE OF SUSTAINED IMPROVEMENT IN STUDENT ACCOMPLISHMENTS**

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Below is a summary, submitted by this school, of the major trends in student performance and accomplishments that indicate sustained improvement over time. Also, areas of need are identified and plans to address these needs are presented.

In 2005, E.O. Smith students scored well above the state average scores on the Scholastic Aptitude Test (SAT). SAT scores were also strong when compared to other ERG C schools.

E.O. Smith was successful in making Adequate Yearly Progress (AYP) on the Connecticut Academic Performance Test (CAPT) in 2005 in every testing category.

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**SUPPLEMENTAL SCHOOL INFORMATION**

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The space below was optionally used by this school to describe aspects of the school not presented elsewhere in the profile. For instance, character education or programs designed to improve school climate may be described.

During the 2005-06 School Year, E.O. Smith High School faculty and staff participated in a training program to begin implementing a school wide program of Positive Behavioral Interventions and Supports (PBIS). The goals program focus on improving the school climate and maintaining a uniform and consistent approach to foster a safe, predictable and supportive learning environment.

In addition:

- E.O. Smith faculty members taught over 30 University of Connecticut Co-op courses last year.
- A new chapter of the World Language National Honor Society was formed and inducted 32 students
- Forty girl's and boy's athletic teams competed in the Central Connecticut Conference
- EOS hosted the 2006 New England Music festival for 500 students over a three day period

Strategic School Profiles may be viewed on the internet at [www.state.ct.us/sde](http://www.state.ct.us/sde). A more detailed, searchable SSP database, data tables, and additional CT education facts are also available at this site.

REGIONAL SCHOOL DISTRICT NO. 19

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

FUNCTION / PROGRAM	FULL -TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
GENERAL GOVERNMENT:										
Instructional programs.....	132.0	134.6	131.9	133.5	112.0	105.8	104.3	98.8	88.6	88.6
Guidance services.....	9.8	9.3	9.3	9.3	9.3	8.8	8.8	8.8	8.6	8.6
Educational media.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration.....	4.4	4.4	4.4	6.4	7.4	5.4	7.4	7.4	7.4	6.4
Other.....	2.0	2.0	2.0	2.0	1.8	1.0	1.0			
<b>TOTAL.....</b>	<b>150.2</b>	<b>152.3</b>	<b>149.6</b>	<b>153.2</b>	<b>132.5</b>	<b>123.0</b>	<b>123.5</b>	<b>117.0</b>	<b>106.6</b>	<b>105.6</b>

SOURCE: Town Budget

**TABLE 17**

**REGIONAL SCHOOL DISTRICT NO. 19**

OPERATING STATISTICS  
LAST TEN YEARS  
UNAUDITED

YEAR ENDED JUNE 30,	EXPENSES	ENROLLMENT	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO	STUDENT ATTENDANCE PERCENTAGE
1997	\$ 9,667,578	946	\$ 10,219	4.2%	75.8	12.5	N/A
1998	10,080,456	1,006	10,020	-1.9%	75.8	13.3	N/A
1999	11,656,452	1,025	11,372	13.5%	82.3	12.5	N/A
2000	13,074,413	1,102	11,864	4.3%	87.8	12.6	N/A
2001	14,092,755	1,189	11,853	-0.1%	93.8	12.7	N/A
2002	14,527,609	1,186	12,249	3.3%	96.0	12.4	N/A
2003	15,873,434	1,263	12,568	2.6%	99.9	12.6	N/A
2004	17,042,356	1,267	13,451	7.0%	99.3	12.8	N/A
2005	17,589,876	1,254	14,027	4.3%	102.2	12.3	N/A
2006	18,610,165	1,270	14,654	4.5%	101.4	12.5	N/A

SOURCE: School enrollment and employee records

**REGIONAL SCHOOL DISTRICT NO. 19**

**TABLE 18**

SCHOOL BUILDING INFORMATION  
LAST TEN YEARS  
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>E.O. SMITH HIGH SCHOOL</b>										
Square feet.....	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000
Capacity (students).....	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment.....	1,270	1,254	1,267	1,263	1,186	1,189	1,102	1,025	1,006	946

SOURCE: Building Maintenance Department and School enrollment records

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**State  
Single  
Audit**

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**REGIONAL SCHOOL DISTRICT NO. 19**

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2006

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CORE CT NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<b>STATE DEPARTMENT OF EDUCATION:</b>			
Vocational Agriculture.....	11000-SDE64000-17017	11000-17017-84010-2006	\$ 267,226
Adult Education.....	11000-SDE64000-17030	11000-17030-84003-2006-170013	45,905
<b>BOARD OF EDUCATION &amp; SERVICES FOR THE BLIND:</b>			
Services for the Blind.....	11000-ESB65020-12060		<u>3,200</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....			<u>316,331</u>
<b>EXEMPT PROGRAMS:</b>			
<b>STATE DEPARTMENT OF EDUCATION:</b>			
Public School Transportation.....	11000-SDE64000-17027	11000-17027-82010-2006-170005	284,121
Special Education: Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82016-2006	106,218
Special Education: Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82018-2006	44,919
School Construction Projects - Principal.....	13010-SDE64000-40901	13010-40901-82003-2006-170001	1,151,245
School Construction Projects - Interest.....	13009-SDE64000-40896	13009-40896-82004-2006-170063	<u>638,222</u>
TOTAL EXEMPT PROGRAMS.....			<u>2,224,725</u>
TOTAL STATE FINANCIAL ASSISTANCE.....			<u>\$ 2,541,056</u>

See note to Schedule of Expenditures of State Financial Assistance

**REGIONAL SCHOOL DISTRICT NO. 19**

**NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2006**

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Various departments and agencies of the State of Connecticut have provided financial assistance to Regional School District No. 19 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 state department of education, and the board of education & services for the blind.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Regional School District No. 19 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.

**REGIONAL SCHOOL DISTRICT NO. 19**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006**

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**Summary Schedule of Prior Audit Findings**

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

**REGIONAL SCHOOL DISTRICT NO. 19**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified?       yes   x  no
- Reportable condition(s) identified 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
- Reportable condition(s) 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 opinion

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:

<b>State Grantor and Program</b>	<b>State Grant Program Core CT Number</b>	<b>Expenditures</b>
DEPARTMENT OF EDUCATION: Vocational Agriculture	11000-SDE64000-17017	\$ 267,226

**II. FINANCIAL STATEMENT FINDINGS**

- We issued our report dated December 8, 2006, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no reportable conditions.

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

No findings or questioned costs are reported relating to State financial assistance programs.



**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

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

Board of Education  
Regional School District No. 19

We have audited the basic financial statements of the Regional School District No. 19, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 8, 2006. 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 Region's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management in a separate letter dated December 8, 2006.

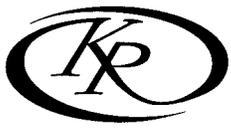
Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Education, 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 8, 2006



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

Board of Education  
Regional School District No. 19

Compliance

We have audited the compliance of the Regional School District No. 19 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, 2006. 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 Region'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 Region'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 Region's compliance with those requirements.

In our opinion, the Region 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, 2006.

Internal Control Over Compliance

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



Regional School District No. 19  
Page Two

Internal Control Over Compliance (Continued)

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

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Region as of and for the year ended June 30, 2006, and have issued our report thereon dated December 8, 2006. Our audit was performed for the purpose of forming opinions on the financial statements taken that collectively comprise the Region's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Education, 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 8, 2006