

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF MANSFIELD,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2008

**PREPARED BY:
THE FINANCE DEPARTMENT**

JEFFREY H. SMITH, DIRECTOR OF FINANCE

TOWN OF MANFIELD, CONNECTICUT

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AS OF AND FOR THE YEAR ENDED JUNE 30, 2008
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Introductory Section

TOWN OF MANSFIELD
OFFICE OF THE FINANCE DIRECTOR



JEFFREY H. SMITH, Director of Finance

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December 24, 2008

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

State law requires that all local governments publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Town of Mansfield for the fiscal year ended June 30, 2008.

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

The Town of Mansfield's financial statements have been audited by Kostin, Ruffkess & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the Town's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Mansfield

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

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

The Town and the immediate region is the beneficiary of the University of Connecticut being located in Mansfield. The University is a land grant University that was founded in 1881 as Storrs Agricultural School. With over 4,000 employees, the University is a major employer for the Town and the surrounding region.

Since 1990, the Town has expended in excess of the \$2.5 million to acquire open space land. During this period the Town has purchased twenty-seven properties totaling over 743 acres of land. The Town currently owns over 1,900 acres of open space land exclusive of schools and other municipal facilities.

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

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

Budget Policies

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

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

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

Local Economy

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

With this said, Mansfield is also far more dependent upon State grants to pay for the costs of operating our Town than most other communities in Connecticut. This tends to result in a feast or famine scenario. When times are good and State tax coffers are full, Mansfield does very well, but when times turn down, so do our State grants. For example, in FY 2006/07, our State PILOT payment (Payments-in-Lieu of Taxes) was \$23,266 more than the adopted budget and we received a one-time State Revenue Sharing payment of \$359,404. However, our Mohegan/Pequot grant (which funds our Capital Improvement program) has been substantially reduced over the last several years. At one time the town received as much as \$3,074,999 (2002). The State estimate for this grant for 2009 is \$392,462.

Long Term Financial Planning

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

Major Initiatives

As part of the America Downtown Program sponsored by the National League of Cities, the Mansfield Town Council retained a national planning firm in 1999 to develop a strategy for the revitalization of downtown Mansfield's commercial areas. Since that initial step, the Mansfield Downtown Partnership, Inc. has been created as an independent, non-profit organization charged with coordinating the revitalization program. An 18-member Board of Directors has been established and has made the following progress: In 2002 a concept master plan was completed and presented to the community. On May 28, 2002, the Town authorized the Partnership to serve as its municipal development agency. In 2004, the Partnership named a firm to serve as the master developer. By November 2005, a major milestone occurred when all local approvals for the Center Municipal Development Plan were completed. In 2006 the Plan was approved by the Connecticut Department of Economic and Community Development. The Commission also unanimously approved the Partnership's application to create a special design district for the project area. Construction for the first building is planned for 2009. In 2008 a fiscal impact study was undertaken to analyze and assess the potential net fiscal contribution that the project would bring to the Town of Mansfield. That study concluded that at full build out, the Town would benefit from approximately \$2.5 million in net tax revenues.

Major Initiatives (continued)

On May 30, 2008, the Connecticut Bond Commission, chaired by Governor Jodi Rell, approved a \$10 million grant for the first parking garage for Storrs Center. At its August 2008 meeting, the Partnership Board of Directors approved a set of comprehensive sustainability guidelines for Storrs Center designed to create an energy efficient project.

Another major initiative began in May 2007, when the Town selected a firm to facilitate the development of a strategic plan. The goal of a strategic plan is to identify a vision and goals and objectives for the organization and the community. It is a tool to help the organization be proactive in planning for the future. In August 2007, the Town Council appointed a steering committee to work with the facilitators to plan & conduct a series of workshops. Also known as Search Conferences, these workshops allowed the community to articulate its hopes, dreams and expectations for the future and to put plans in place to make them happen. The Town's strategic planning process is called "Mansfield 2020...A Unified Vision". The strategic planning initiative took place over the course of seven months and included participation from over 300 residents and stakeholders. Mansfield 2020 is now a reality. The plan provides a detailed framework, goals and actions for each of nine priority visions points resulting from the two Mansfield 2020 Future Search Conferences.

Relevant Financial Policies

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

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Mansfield for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. In order to be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Jeffrey H. Smith
Director of Finance

FINANCIAL MANAGEMENT GOALS

PREFACE

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

FINANCIAL REPORTING PERFORMANCE GOALS

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

RESERVE PERFORMANCE GOALS

- A contingency account will be established annually in the operating budget to:
 - a. provide for settlement of pending labor contract negotiations;
 - b. provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature;
 - c. permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies;
 - d. provide the local match for public or private grants; and
 - e. meet unexpected small increases in service delivery costs.
- The contingency account will be budgeted at a level sufficient to provide for settlement of pending labor contract negotiations plus an amount not to exceed one percent of the proposed Town budget. The Town's budget will be amended at the time such contingency funds are committed. The contingency account will be separate from the carryover fund balance.

FUND BALANCE GOALS

- A year-to-year carryover fund balance will be maintained in an amount necessary to maintain adequate cash flow and to prevent the demand for short-term borrowing. The undesignated fund balance should be at least five percent (5%) of the general fund operating budget and shall be separate from the contingency account. Fund balance in excess of the three percent goal should be used for balancing the proposed operating tax budget in the succeeding fiscal year.
- It is Council policy that the practice of using fund balance as a source of financing future years operating budgets has an inherently destabilizing impact upon the operating budget. Therefore, any fund balance in excess of the five percent goal will be transferred to the CNR Fund and used for one-time expenditures.

CAPITAL IMPROVEMENTS PERFORMANCE GOALS

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

INVESTMENT PERFORMANCE GOALS

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

DEBT PERFORMANCE GOALS

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

OPERATING EXPENDITURES PERFORMANCE GOALS

- The Town Manager will propose and the Town Council will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonable estimated resources and revenues.
- All current operation and maintenance expenses will be paid from the current revenue sources.
- The operating budget will provide for the adequate maintenance of capital assets and equipment.
- The budget will provide for adequate funding of all employee benefit programs and retirement systems.
- A budgetary control system will be maintained to enable adherence to the adopted budget. This will include a record keeping system to be adhered to by all programs and activities receiving annual Town Council appropriations.
- A system of regular monthly fiscal reports comparing actual revenues and expenditures to budgeted amounts will be prepared and maintained.
- An effective risk management program to minimize loss and reduce costs will be developed and implemented. The Town Manager will ensure that adequate insurance programs are in place, including unemployment and workers' compensation insurance.

OPERATING EXPENDITURES PERFORMANCE GOALS (CONTINUED)

- Delivery of services by other public and private organizations will be encouraged whenever and wherever greater efficiency and effectiveness can be expected. Technology and productivity advancements that will help reduce or avoid increasing personnel costs as a proportion of the total budget, that use available resources more productively and creatively, and that avoid duplication of effort and resources will be utilized.
- A Reserve Fund for Capital and Nonrecurring Expenditures will be maintained and will be adequately funded each year by a transfer from the General Fund Budget and by unanticipated one time revenues.

REVENUE PERFORMANCE GOALS

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

TOWN OF MANSFIELD, CONNECTICUT

PRINCIPAL OFFICIALS

JUNE 30, 2008

Town Council

Elizabeth Paterson, Mayor
Greg Haddad, Deputy Mayor
Alison Whitham Blair
Bruce Clouette
Leigh Duffy
Helen Koehn
Gene Nesbitt
Christopher Paulhus
Carl Schaefer

Matthew W. Hart
Town Manager

Maria Capriola
Assistant to Town Manager

Jeffrey H. Smith
Director of Finance

Cheryl A. Trahan
Controller/Treasurer

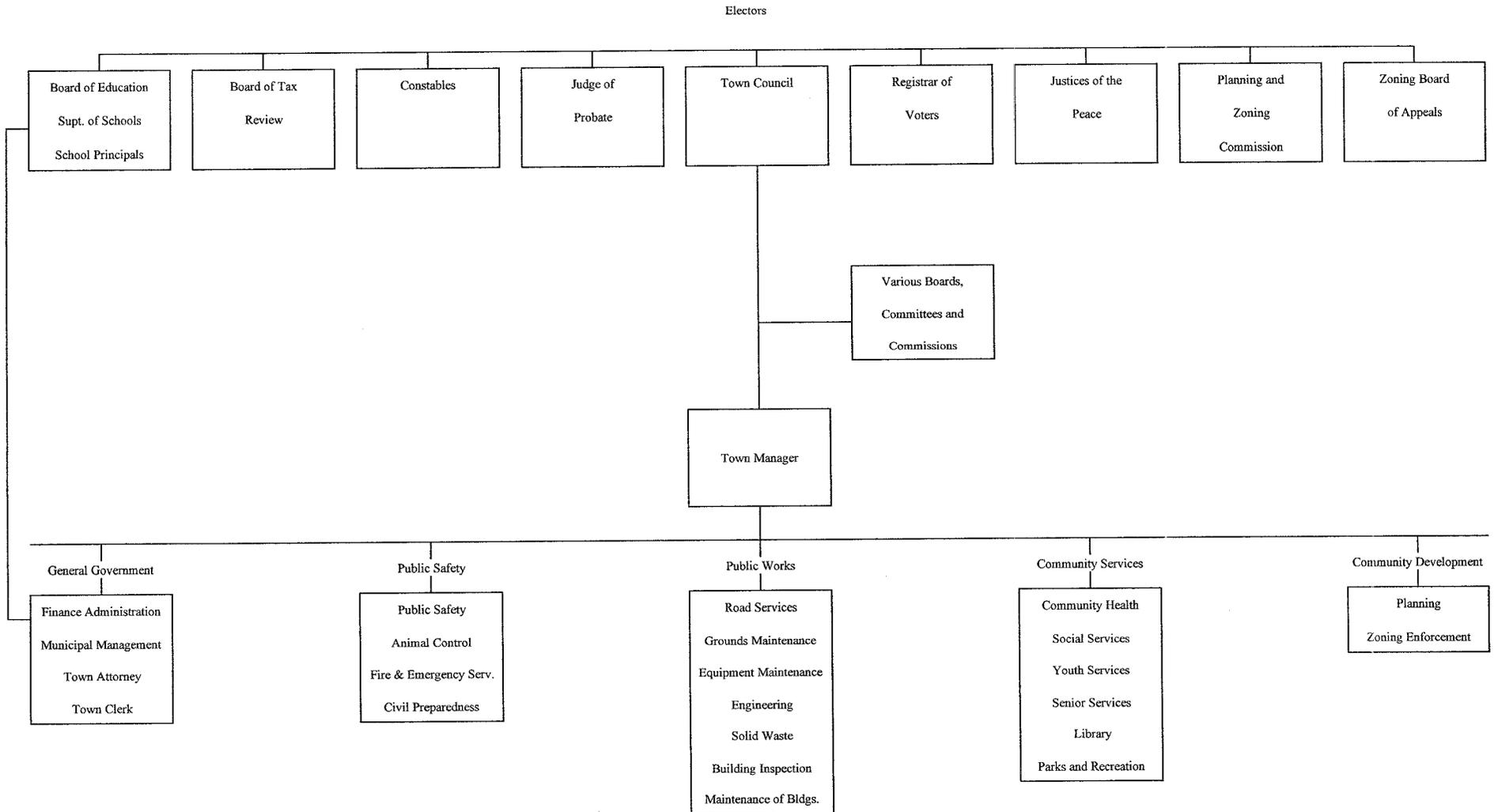
Irene La Pointe
Assessor

Christine Gamache
Collector of Revenue

Jaime L. Russell
Information Technology Director

TOWN OF MANSFIELD, CONNECTICUT

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Mansfield
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Financial Section

INDEPENDENT AUDITORS' REPORT

Town Council
Town of Mansfield, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 24, 2008, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis on pages 14 through 23 is not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Town of Mansfield, Connecticut
Page Two

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 24, 2008

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



JEFFREY H. SMITH, Director of Finance

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

As management of the Town of Mansfield, we offer readers of the Town of Mansfield's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$69,855,411 (*net assets*). Of this amount, \$2,055,629 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$557,421. This is due substantially to donation of capital assets offset by the net loss of the internal service funds.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,434,236, a decrease of \$125,671 in comparison with the prior year. Approximately 82.7% of this total amount, \$2,838,067, is *available for spending* at the Town's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,830,202 or 4.0% of total general fund expenditures.
- The Town's total long-term obligations decreased by \$367,714 during the current fiscal year. The key factors in this decrease were principal payments on bonded debt of \$660,000 and an early retirement incentive increase of \$302,909.

Overview of the Basic Financial Statements

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

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

Overview of the Basic Financial Statements (continued)

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

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

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

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

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

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

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

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

The Town maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, Mansfield discretionary fund, capital projects fund, and compensated absences fund, all of which are considered to be major funds. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Overview of the Basic Financial Statements (continued)

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

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

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

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

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

The basic proprietary fund financial statements can be found on Exhibits G, H, and I.

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

The basic fiduciary fund financial statements can be found on Exhibits J and K.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on Exhibit L.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$69,297,990 at the close of the most recent fiscal year.

**TOWN OF MANSFIELD
NET ASSETS
JUNE 30, 2008 AND 2007**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets.....	\$ 8,950,419	\$ 9,772,428	\$ 634,481	\$ 574,752	\$ 9,584,900	\$ 10,347,180
Capital assets (net).....	68,958,320	67,692,847	803,063	832,081	69,761,383	68,524,928
TOTAL ASSETS.....	77,908,739	77,465,275	1,437,544	1,406,833	79,346,283	78,872,108
Long-term liabilities outstanding.....	5,573,157	5,941,208	125,261	124,924	5,698,418	6,066,132
Other liabilities.....	3,643,655	3,394,538	148,799	113,448	3,792,454	3,507,986
TOTAL LIABILITIES.....	9,216,812	9,335,746	274,060	238,372	9,490,872	9,574,118
Net assets:						
Invested in capital assets, net of related debt.....	66,557,840	64,693,077	803,063	832,081	67,360,903	65,525,158
Restricted.....	438,879	639,171			438,879	639,171
Unrestricted.....	1,695,208	2,797,281	360,421	336,380	2,055,629	3,133,661
TOTAL NET ASSETS.....	\$ 68,691,927	\$ 68,129,529	\$ 1,163,484	\$ 1,168,461	\$ 69,855,411	\$ 69,297,990

By far the largest portion of the Town's net assets (96.5%) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, pump station and sewer distribution system), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (0.7 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,055,629) may be used to meet the Town's ongoing obligations to citizens and creditors.

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

The Town's net assets increased by \$557,421 during the current fiscal year. This is due to substantially to donation of infrastructure assets (\$1,476,361) offset by the net loss of the internal service funds (\$682,906).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental activities. Governmental activities increased the Town's net assets by \$562,398. The business-type activities decreased net assets by \$4,977, essentially a break even year operationally.

**TOWN OF MANSFIELD
CHANGES IN NET ASSETS
JUNE 30, 2008**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
REVENUES:						
Program revenues:						
Charges for services.....	\$ 4,120,993	\$ 3,788,936	\$ 1,324,959	\$ 1,215,103	\$ 5,445,952	\$ 5,004,039
Operating grants and contributions.....	16,670,202	11,415,580			16,670,202	11,415,580
Capital grants and contributions.....	2,694,887	1,025,360			2,694,887	1,025,360
General revenues:						
Property taxes.....	21,990,246	20,560,377			21,990,246	20,560,377
Grants and contributions not restricted to specific programs.....	8,481,007	8,665,335			8,481,007	8,665,335
Investment income.....	525,748	772,761			525,748	772,761
Miscellaneous.....	128,051	183,592	3,504	3,250	131,555	186,842
TOTAL REVENUES.....	54,611,134	46,411,941	1,328,463	1,218,353	55,939,597	47,630,294
EXPENSES						
General government.....	2,370,172	2,457,128			2,370,172	2,457,128
Public safety.....	3,508,378	3,042,626			3,508,378	3,042,626
Public works.....	5,021,008	4,998,186			5,021,008	4,998,186
Community services.....	5,085,269	4,719,147			5,085,269	4,719,147
Community development.....	520,446	558,720			520,446	558,720
Education.....	37,386,543	30,724,185			37,386,543	30,724,185
Interest expense.....	156,920	197,044			156,920	197,044
Sewer department.....			344,725	213,732	344,725	213,732
Transfer station.....			988,715	989,790	988,715	989,790
TOTAL EXPENSES.....	54,048,736	46,697,036	1,333,440	1,203,522	55,382,176	47,900,558
INCREASE (DECREASE) IN NET ASSETS...	562,398	(285,095)	(4,977)	14,831	557,421	(270,264)
NET ASSETS - JULY 1.....	68,129,529	68,414,624	1,168,461	1,153,630	69,297,990	69,568,254
NET ASSETS - JUNE 30.....	\$ 68,691,927	\$ 68,129,529	\$ 1,163,484	\$ 1,168,461	\$ 69,855,411	\$ 69,297,990

Revenues

Governmental activities revenues totaled \$54,611,134 for fiscal year 2008. Property taxes are the largest revenue source for the Town and represent 40.3% of governmental revenues. Current tax collections were 98.5% of the adjusted tax levy. Operating grants and contributions revenues are the Town's second largest revenue. Operating grants and contributions revenues include grants for education, public works and community services and account for 30.6% of governmental revenues for the year. Grants and contributions not restricted to specific programs account for 15.6% of governmental revenues and include property tax related grants.

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

- Operating grants and contributions increase by \$5,254,622. The most significant increase was related to the in-kind contribution from the State of Connecticut for the State Teachers Retirement Board, which increased \$4.4 million. The additional increase of approximately \$800,000 was due to increase state funding for education grants.

Government-Wide Financial Analysis (continued)

- Capital grants and contributions increased by \$1,669,527 primarily due to donated infrastructure assets and an increase in funding from the State for school construction, primarily for new wells at four schools.
- Property taxes increased by \$1,429,869 due to an increase in the cost of services, particularly in the area of education.

Expenses

Governmental expenses totaled \$54,048,736 for the fiscal year. Of the expenses, \$37,386,543 or 69.2% is related to education. Public works expenses amounted to \$5,021,008 or 9.3%. Community services expenses were \$5,085,269 or 9.4%, public safety expenses were \$3,508,378 or 9.3% and general government expenses were \$2,457,128 or 4.4%.

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

- Education increased by \$6,662,358 of which \$4.4 million was as a result of the increase in the on-behalf payment discussed above under the increase in operating grants and contributions and the remaining \$2.2 million was due to an increase in the cost of salaries and benefits, an increase in tuition costs for out-placed students and an increase in the proportionate share for the regional high school.
- Public safety increased by \$465,752 due to an increase in the cost of salaries and benefits, primarily for fire and emergency services.
- Community services increased by \$366,122 due to an increase in the cost of salaries and benefits.

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

Business-type activities. Business-type activities decreased the Town's net assets by \$4,977. General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1,328,463 in total business-type revenues, over 99.8% came from charges for services. Miscellaneous revenues make up the remaining revenue and are less than 1% of the Town's business-type activities.

The sewer department expenses were \$344,725 in the fiscal year ended June 30, 2008, and the transfer station expenses were \$988,715. Expenses for the solid waste fund were level with the prior year. The sewer fund's increase in expenses was substantially due to legal expenses incurred for the cost of construction arbitration.

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,434,236, a decrease of \$125,671 in comparison with the prior year. Approximately 82.7% of this total amount (\$2,838,067) constitutes unreserved fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate purchase orders of the prior period (\$157,377), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$360,725), 3) to pay contract commitments (\$76,157), or 4) for permanently restricted endowments (\$1,910).

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,830,202, while total fund balance reached \$1,987,579. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total general fund expenditures. Unreserved fund balance represents 4.0% of total general fund expenditures, while total fund balance represents 4.3% of that same amount.

The fund balance of the Town's general fund increased by \$91,690 during the current fiscal year. The increase was attributable to education expenditures being under spent by \$252,013 offset by \$145,110 less investment income received than anticipated.

Mansfield Discretionary Fund had \$43,305 in revenues for the year and \$84,285 in expenses for a net decrease in fund balance of \$40,980. Expenditures exceed revenues due to prior year program revenues expended in the current year, primarily for housing rehabilitation projects.

Capital projects fund. This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. The capital projects fund's expenditures exceeded its revenues and transfers in by \$284,238 for the fiscal year. This is a result of various projects funded in prior years.

Compensated Absences Fund had \$10,579 of investment income during the year. The deficit fund balance will be funded from general fund transfers in future budget years.

Financial Analysis of the Town's Funds (continued)

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

Unrestricted net assets at the end of the year amounted to \$331,047 for the Sewer Operating fund, \$29,374 for the Solid Waste Disposal fund, and \$62,440 for the Internal Service funds. The total increase (decrease) in net assets for the funds was (\$59,588) for the Sewer Operating fund, \$54,581 for the Solid Waste Disposal Fund, and (\$682,906) for the Internal Service funds. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

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

- \$644,000 increase in anticipated state grants which was appropriated as a transfer out to the capital nonrecurring fund.
- \$250,200 decrease in community services due to the reclassification of Parks & Recreation Administration budget line to transfers out.
- Transfers out exceeded the original budget by \$904,920 due to an additional transfer to Capital and Nonrecurring Reserve Fund (\$644,000) based upon the increase in expected state grants noted above, and \$245,920 for recreation programs also noted above.

During the year, expenditures were less than budgetary estimates by \$263,156. Of that amount, the Mansfield Board of Education expenditures were less than budget by \$252,013 due to reductions in budgeted staffing.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounts \$69,761,383 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, pump station, and sewer distribution system. The total net increase in the Town's investment in capital assets for the current fiscal year was \$1,236,455 and consisted of an increase of \$1,265,473 for governmental activities and a decrease of \$29,018 for business-type activities. Capital asset additions for the year of \$3,246,141 were offset by depreciation for the year in the amount of \$1,980,668.

Major capital acquisitions were as follows:

- \$1,240,000 for the addition of roads - Monticello Lane, Windswept Lane, Beacon Hill Drive, Blake Lane, and section 2 of Jonathan Lane.
- \$764,319 for office equipment, primarily computer equipment.
- Construction in progress was added during year for additional work on the new wells at the schools and heating alterations at the middle school, and reduced as a result of capitalizing land improvements and building improvements for the Separatist Road bikeway, air conditioning in the Community Center gymnasium, and renovations in the middle school auditorium.

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

**TOWN OF MANSFIELD
CAPITAL ASSETS**

(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
Land.....	\$ 4,298,172	\$ 4,151,772	\$ 74,798	\$ 74,798	\$ 4,372,970	\$ 4,226,570
Construction in progress.....	4,486,407	4,644,352	87,206	69,007	4,573,613	4,713,359
Land improvements.....	1,677,900	901,431			1,677,900	901,431
Buildings.....	21,313,865	21,772,331	21,533	30,076	21,335,398	21,802,407
Improvements other than buildings...	188,172	199,526			188,172	199,526
Machinery and equipment.....	1,725,321	1,240,290	90,452	105,290	1,815,773	1,345,580
Vehicles.....	1,182,715	1,331,102			1,182,715	1,331,102
Infrastructure.....	34,085,768	33,452,043			34,085,768	33,452,043
Pump station.....			118,303	121,194	118,303	121,194
Sewer distribution system.....			410,771	431,716	410,771	431,716
TOTAL.....	<u>\$68,958,320</u>	<u>\$67,692,847</u>	<u>\$803,063</u>	<u>\$832,081</u>	<u>\$69,761,383</u>	<u>\$68,524,928</u>

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$2,505,000. The entire amount is backed by the full faith and credit of the Town.

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

	<u>Governmental Activities</u>	
	2008	2007
General Obligation Bonds - Town	\$ 1,850,000	\$ 2,155,000
General Obligation Bonds - School	655,000	1,010,000
TOTAL	<u>\$ 2,505,000</u>	<u>\$ 3,165,000</u>

The Town's outstanding debt decreased \$660,000 due to scheduled principal payments.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$152,541,487, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The Town is located east of Hartford, Connecticut, and is the home of the University of Connecticut. With over 5,000 employees, the University is the major employer for the Town. This has a positive effect on employment rates regardless of the business cycle. However, the recent significant downturn in the economy is now having an impact on local unemployment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

	<u>2008 Monthly</u>			
<u>Yearly Average</u>	<u>Town of Mansfield</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2003	2.5%	5.9%	5.5%	6.0%
2004	3.4	5.2	4.9	5.5
2005	3.9	5.1	4.9	5.1
2006	3.8	4.4	4.3	4.5
2007	4.0	4.7	5.0	4.6
January	3.9	5.4	4.8	4.9
February	3.9	5.6	5.0	4.8
March	3.9	5.7	5.3	5.1
April	3.6	4.6	4.7	5.0
May	4.5	5.4	5.4	5.5
June	5.3	5.7	5.5	5.5

The above factors were considered in preparing the Town's budget for the 2009 fiscal year.

Requests for Information

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

Basic Financial Statements

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2008

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	MANSFIELD DISCOVERY DEPOT, INC.
<u>ASSETS</u>				
Current assets:				
Cash.....	\$ 600	\$	\$ 600	\$ 200
Investments.....	5,536,684	482,858	6,019,542	341,245
Receivables:				
Property taxes.....	337,017		337,017	
Intergovernmental.....	901,554		901,554	
Loans.....	55,352		55,352	
Other.....	259,623	151,623	411,246	
Other assets.....	63,272		63,272	
Total current assets.....	7,154,102	634,481	7,788,583	341,445
Noncurrent assets:				
Restricted assets:				
Permanently restricted:				
Investments.....			366,714	
Receivables (net):				
Property taxes.....	363,431		363,431	
Loans.....	1,029,067		1,029,067	
Total receivables (net).....	1,392,498	-	1,392,498	-
Other noncurrent assets:				
Other.....	37,105		37,105	
Capital assets (net of accumulated depreciation):				
Land.....	4,298,172	74,798	4,372,970	
Construction in progress.....	4,486,407	87,206	4,573,613	
Land improvements.....	1,677,900		1,677,900	
Buildings.....	21,313,865	21,533	21,335,398	
Improvements other than buildings.....	188,172		188,172	
Machinery and equipment.....	1,725,321	90,452	1,815,773	
Vehicles.....	1,182,715		1,182,715	
Infrastructure.....	34,085,768		34,085,768	
Pump station.....		118,303	118,303	
Sewer distribution system.....		410,771	410,771	
Total Capital assets (net of accumulated depreciation).....	68,958,320	803,063	69,761,383	-
Total noncurrent assets.....	70,754,637	803,063	71,557,700	-
TOTAL ASSETS.....	77,908,739	1,437,544	79,346,283	341,445

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2008

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	MANSFIELD DISCOVERY DEPOT, INC.
<u>LIABILITIES</u>				
Current liabilities:				
Cash overdraft.....	\$ 378,972	\$	\$ 378,972	\$
Accounts payable.....	1,208,787	148,799	1,357,586	479
Accrued liabilities.....	1,777,941		1,777,941	13,248
Accrued interest payable.....	15,854		15,854	
Unearned revenue.....	262,101		262,101	
Bonds and related liabilities.....	530,000		530,000	
Compensated absences.....	122,160	3,452	125,612	
Retirement benefit.....	387,514		387,514	
Landfill closure/postclosure.....		4,000	4,000	
Total current liabilities.....	4,683,329	156,251	4,839,580	13,727
Noncurrent liabilities:				
Bonds and related liabilities.....	1,870,480		1,870,480	
Compensated absences.....	488,642	13,809	502,451	
Retirement benefit.....	2,174,361		2,174,361	
Landfill closure/postclosure.....		104,000	104,000	
Total noncurrent liabilities.....	4,533,483	117,809	4,651,292	-
TOTAL LIABILITIES.....	9,216,812	274,060	9,490,872	13,727
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt.....	66,557,840	803,063	67,360,903	
Restricted for:				
Capital projects.....	76,157		76,157	
Perpetual care:				
Nonexpendable.....	360,725		360,725	
Endowments:				
Nonexpendable.....	1,910		1,910	
Expendable.....	87		87	
Unrestricted.....	1,695,208	360,421	2,055,629	327,718
TOTAL NET ASSETS.....	\$ 68,691,927	\$ 1,163,484	\$ 69,855,411	\$ 327,718

(Concluded)

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS			COMPONENT UNIT MANSFIELD DISCOVERY DEPOT, INC.
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
General government.....	\$ 2,370,172	\$ 476,038	\$ 37,242	\$ 14,902	\$ (1,841,990)	\$	\$ (1,841,990)	\$
Public safety.....	3,508,378	77,360	128,562		(3,302,456)		(3,302,456)	
Public works.....	5,021,008	660,502	311,282	2,679,985	(1,369,239)		(1,369,239)	
Community services.....	5,085,269	2,014,585	117,712		(2,952,972)		(2,952,972)	
Community development.....	520,446	158,179			(362,267)		(362,267)	
Education.....	37,386,543	734,329	16,075,404		(20,576,810)		(20,576,810)	
Interest expense.....	156,920				(156,920)		(156,920)	
TOTAL GOVERNMENTAL ACTIVITIES.....	54,048,736	4,120,993	16,670,202	2,694,887	(30,562,654)	-	(30,562,654)	-
BUSINESS-TYPE ACTIVITIES:								
Sewer Department.....	344,725	284,510				(60,215)	(60,215)	
Transfer Station.....	988,715	1,040,449				51,734	51,734	
TOTAL BUSINESS-TYPE ACTIVITIES.....	1,333,440	1,324,959	-	-	-	(8,481)	(8,481)	-
TOTAL PRIMARY GOVERNMENT.....	\$ 55,382,176	\$ 5,445,952	\$ 16,670,202	\$ 2,694,887	\$ (30,562,654)	\$ (8,481)	\$ (30,571,135)	\$ -
COMPONENT UNIT:								
Mansfield Discovery Depot, Inc.....	\$ 1,175,741	\$ 889,511	\$ 333,961	\$	\$	\$	\$	\$ 47,731
GENERAL REVENUES:								
Property taxes.....					\$ 21,990,246	\$	\$ 21,990,246	\$
Grants and contributions not restricted to specific programs.....					8,481,007		8,481,007	
Investment income.....					525,748		525,748	
Miscellaneous.....					128,051	3,504	131,555	
TOTAL GENERAL REVENUES.....					31,125,052	3,504	31,128,556	-
CHANGE IN NET ASSETS.....					562,398	(4,977)	557,421	47,731
NET ASSETS - JULY 1, 2007.....					68,129,529	1,168,461	69,297,990	279,987
NET ASSETS - JUNE 30, 2008.....					\$ 68,691,927	\$ 1,163,484	\$ 69,855,411	\$ 327,718

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

TOWN OF MANSFIELD, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	GENERAL	MANSFIELD DISCRETIONARY FUND	CAPITAL PROJECTS	COMPENSATED ABSENCES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash.....	\$	\$	\$	\$	\$	\$
Investments.....	3,187,643	47,902	377,401	189,438	666,403	4,468,787
Restricted Investments.....					366,714	366,714
Receivables:						
Property taxes.....	611,144					611,144
Sewer assessments.....					13,300	13,300
Intergovernmental.....			732,988		63,347	796,335
Loans.....		1,106,550				1,106,550
Other.....	70,885	6,866	24,290		6,437	108,478
Due from other funds.....	1,259,823					1,259,823
Other.....					32,872	32,872
TOTAL ASSETS.....	\$ 5,129,495	\$ 1,161,318	\$ 1,134,679	\$ 189,438	\$ 1,149,673	\$ 8,764,603
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Cash overdraft.....	\$ 378,972	\$	\$	\$	\$	\$ 378,972
Accounts and other payables.....	516,169	8,999	145,281		83,798	754,247
Accrued liabilities.....	1,324,463					1,324,463
Due to other funds.....	338,210		1,803	569,315	71,511	980,839
Deferred and unearned revenue.....	584,102	1,106,550	12,735		188,459	1,891,846
TOTAL LIABILITIES.....	3,141,916	1,115,549	159,819	569,315	343,768	5,330,367
FUND BALANCES:						
Reserved for:						
Encumbrances.....	157,377					157,377
Commitments.....			76,157			76,157
Perpetual care.....					360,725	360,725
Permanent funds.....					1,910	1,910
Unreserved, reported in:						
General fund.....	1,830,202					1,830,202
Special revenue funds.....		45,769			463,413	509,182
Capital projects funds.....			898,703			898,703
Debt service funds.....				(379,877)	(20,230)	(400,107)
Permanent funds.....					87	87
TOTAL FUND BALANCES.....	1,987,579	45,769	974,860	(379,877)	805,905	3,434,236
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 5,129,495	\$ 1,161,318	\$ 1,134,679	\$ 189,438	\$ 1,149,673	\$ 8,764,603

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

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

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	3,434,236
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets.....		67,692,847
Capital assets additions.....		3,246,141
Depreciation expense.....		(1,980,668)

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

Property tax and sewer assessment interest and lien accrual.....		169,304
Property tax, sewer assessment and community development block grant loan receivable - accrual basis change.....		1,616,445
School building grant receivable.....		105,219
Allowance for doubtful accounts.....		(102,131)
Other.....		37,105

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

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....		1,481,302
Less net capital assets reported above.....		(1,418,862)

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

Bonds.....		(2,505,000)
Deferred charge on refunding.....		111,884
Bond premium.....		(7,364)
Compensated absences.....		(610,802)
Retirement benefit.....		(2,561,875)
Accrued interest payable.....		(15,854)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>68,691,927</u>
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(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	GENERAL	MANSFIELD DISCRETIONARY FUND	CAPITAL PROJECTS	COMPENSATED ABSENCES FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes.....	\$ 21,921,177	\$	\$	\$	\$	\$ 21,921,177
Intergovernmental.....	23,323,275		1,373,586		1,771,464	26,468,325
Investment income.....	454,890	1,473		10,579	20,250	487,192
Charges for services.....	916,490	41,832			3,046,507	4,004,829
Contributions.....			98,000		139,263	237,263
Other local revenues.....	9,205				55,648	64,853
TOTAL REVENUES.....	46,625,037	43,305	1,471,586	10,579	5,033,132	53,183,639
EXPENDITURES:						
Current:						
General government.....	1,474,908				8,740	1,483,648
Public safety.....	2,737,817				221,745	2,959,562
Public works.....	2,906,396				262,875	3,169,271
Community services.....	1,466,836				2,614,316	4,081,152
Community development.....	303,371	84,285			63,000	450,656
Townwide expenditures.....	2,247,118				50,000	2,297,118
Education.....	34,026,981				1,535,716	35,562,697
Capital outlay.....			2,309,124			2,309,124
Debt service.....					796,082	796,082
TOTAL EXPENDITURES.....	45,163,427	84,285	2,309,124	-	5,552,474	53,109,310
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,461,610	(40,980)	(837,538)	10,579	(519,342)	74,329
OTHER FINANCING SOURCES (USES):						
Transfers in.....	2,500		553,300	50,000	1,838,958	2,444,758
Transfers out.....	(1,372,420)				(1,272,338)	(2,644,758)
NET OTHER FINANCING SOURCES (USES).....	(1,369,920)	-	553,300	50,000	566,620	(200,000)
NET CHANGE IN FUND BALANCES.....	91,690	(40,980)	(284,238)	60,579	47,278	(125,671)
FUND BALANCES - JULY 1, 2007.....	1,895,889	86,749	1,259,098	(440,456)	758,627	3,559,907
FUND BALANCES - JUNE 30, 2008.....	\$ 1,987,579	\$ 45,769	\$ 974,860	\$ (379,877)	\$ 805,905	\$ 3,434,236

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

TOWN OF MANSFIELD, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

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)..... \$ (125,671)

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

Capital outlay.....	1,769,780
Depreciation expense.....	(1,980,668)
Change in capital assets of internal service funds.....	<u>(178,306)</u>
Total	<u>(389,194)</u>

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

Contributed capital assets.....	<u>1,476,361</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:

School building grant receipts.....	(180,793)
Change in property tax and sewer assessment receivable - accrual basis change.....	136,374
Change in property tax and sewer assessment interest and lien revenue.....	(22,784)
Change in property tax and sewer assessment allowance for doubtful accounts.....	<u>(13,622)</u>
Total	<u>(80,825)</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>660,000</u>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

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).....	\$ 28,380
Accrued interest payable.....	2,767
Retirement benefit (net).....	(302,909)
Amortization of bond premium.....	1,228
Amortization of deferred charges.....	(18,648)
Other.....	<u>(6,185)</u>
Total	<u>(295,367)</u>
Internal Service Funds are used by management to charge costs of insurances and management services to individual departments.....	<u>(721,462)</u>
The net revenue of the activities of the Internal Service Funds is reported with governmental activities.....	<u>38,556</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B).....	<u>\$ 562,398</u>

(Concluded)

TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 21,909,882	\$ 21,909,882	\$ 21,921,177	\$ 11,295
Intergovernmental.....	17,404,770	18,048,770	18,061,002	12,232
Investment income.....	600,000	600,000	454,890	(145,110)
Charges for services.....	1,003,440	1,003,440	916,490	(86,950)
Other local revenues.....	2,750	2,750	9,205	6,455
TOTAL REVENUES.....	40,920,842	41,564,842	41,362,764	(202,078)
EXPENDITURES:				
Current:				
General government.....	1,370,990	1,458,105	1,458,105	-
Public safety.....	2,708,180	2,737,287	2,737,287	-
Public works.....	2,905,470	2,904,636	2,904,636	-
Community services.....	1,709,230	1,459,030	1,459,030	-
Community development.....	310,310	295,171	295,171	-
Townwide expenditures.....	2,354,230	2,258,261	2,247,118	11,143
Education.....	29,097,432	29,082,432	28,830,419	252,013
TOTAL EXPENDITURES.....	40,455,842	40,194,922	39,931,766	263,156
EXCESS OF REVENUES OVER EXPENDITURES.....	465,000	1,369,920	1,430,998	61,078
OTHER FINANCING SOURCES (USES):				
Transfers in.....	2,500	2,500	2,500	-
Transfers out.....	(467,500)	(1,372,420)	(1,372,420)	-
NET OTHER FINANCING SOURCES (USES).....	(465,000)	(1,369,920)	(1,369,920)	-
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	61,078	\$ 61,078
FUND BALANCE - JULY 1, 2007.....			1,769,124	
FUND BALANCE - JUNE 30, 2008.....			<u>\$ 1,830,202</u>	

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
ASSETS				
Current assets:				
Investments.....	\$ 297,159	\$ 185,699	\$ 482,858	\$ 1,067,897
Accounts receivable.....	97,306	54,317	151,623	151,145
Due from other funds.....			-	19,088
Other.....			-	30,400
Total current assets.....	394,465	240,016	634,481	1,268,530
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....	66,298	8,500	74,798	145,649
Construction in progress.....	87,206		87,206	
Land improvements.....			-	220,762
Buildings.....		21,533	21,533	126,506
Equipment.....		90,452	90,452	925,945
Pump station.....	118,303		118,303	
Sewer distribution system.....	410,771		410,771	
Total capital assets (net of accumulated depreciation).....	682,578	120,485	803,063	1,418,862
TOTAL ASSETS.....	1,077,043	360,501	1,437,544	2,687,392
LIABILITIES				
Current liabilities:				
Accounts payable.....	63,418	85,381	148,799	179,556
Claims payable.....			-	453,478
Due to other funds.....			-	573,056
Landfill postclosure liability.....		4,000	4,000	
Compensated absences.....		3,452	3,452	
Total current liabilities.....	63,418	92,833	156,251	1,206,090
Noncurrent liabilities:				
Landfill postclosure liability.....		104,000	104,000	
Compensated absences.....		13,809	13,809	
Total noncurrent liabilities.....	-	117,809	117,809	-
TOTAL LIABILITIES.....	63,418	210,642	274,060	1,206,090
NET ASSETS				
Invested in capital assets.....	682,578	120,485	803,063	1,418,862
Unrestricted.....	331,047	29,374	360,421	62,440
TOTAL NET ASSETS.....	\$ 1,013,625	\$ 149,859	\$ 1,163,484	\$ 1,481,302

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

TOWN OF MANSFIELD, CONNECTICUTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
OPERATING REVENUES:				
Sewer charges.....	\$ 284,510	\$ -	\$ 284,510	\$ -
Garbage collection fees.....	-	855,359	855,359	-
Tipping fees.....	-	9,534	9,534	-
Transfer station fees.....	-	90,053	90,053	-
Sale of recyclables.....	-	85,503	85,503	-
Premiums.....	-	-	-	6,507,609
Charges for services.....	-	-	-	2,743,597
Rental income.....	-	-	-	187,915
Other revenues.....	657	2,847	3,504	63,198
TOTAL OPERATING REVENUES.....	285,167	1,043,296	1,328,463	9,502,319
OPERATING EXPENSES:				
Wages and fringe benefits.....	-	265,019	265,019	388,470
Administration.....	-	-	-	643,197
Medical claims.....	-	-	-	5,498,430
Workers' compensation.....	-	-	-	385,800
Repairs & maintenance.....	-	-	-	838,836
Consultants.....	-	-	-	45,134
Supplies, materials & rentals.....	-	-	-	303,553
Software & related communication costs.....	-	13,360	13,360	459,536
Utilities.....	-	688	688	1,675,917
Contract pickup.....	-	325,392	325,392	-
Sewer billings.....	177,166	-	177,166	-
Supplies and services.....	143,723	13,939	157,662	-
Dumping fees.....	-	346,936	346,936	-
Depreciation.....	23,836	23,381	47,217	184,908
TOTAL OPERATING EXPENSES.....	344,725	988,715	1,333,440	10,423,781
OPERATING INCOME (LOSS).....	(59,558)	54,581	(4,977)	(921,462)
NONOPERATING REVENUES:				
Investment income.....	-	-	-	38,556
INCOME (LOSS) BEFORE TRANSFERS.....	(59,558)	54,581	(4,977)	(882,906)
TRANSFERS IN.....	-	-	-	200,000
CHANGE IN NET ASSETS.....	(59,558)	54,581	(4,977)	(682,906)
TOTAL NET ASSETS - JULY 1, 2007.....	1,073,183	95,278	1,168,461	2,164,208
TOTAL NET ASSETS - JUNE 30, 2008.....	\$ 1,013,625	\$ 149,859	\$ 1,163,484	\$ 1,481,302

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	MAJOR FUND	NONMAJOR FUND	TOTALS	INTERNAL SERVICE FUNDS
	SEWER OPERATING FUND	SOLID WASTE DISPOSAL		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$ 257,428	\$ 1,038,304	\$ 1,295,732	\$ 2,804,287
Premiums received.....				6,506,265
Payments to vendors.....	(307,430)	(682,423)	(989,853)	(3,524,894)
Payments for claims.....				(5,571,242)
Payments to employees.....		(260,682)	(260,682)	(388,470)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(50,002)	95,199	45,197	(174,054)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds.....			-	200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....	(18,199)		(18,199)	(369,409)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....			-	38,556
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS...	(68,201)	95,199	26,998	(304,907)
CASH AND CASH EQUIVALENTS - JULY 1, 2007.....	365,360	90,500	455,860	1,372,804
CASH AND CASH EQUIVALENTS - JUNE 30, 2008.....	\$ 297,159	\$ 185,699	\$ 482,858	\$ 1,067,897
RECONCILIATION TO BALANCE SHEET CASH:				
Cash and cash equivalents per above.....	\$ 297,159	\$ 185,699	\$ 482,858	\$ 1,067,897
Cash equivalents reported as investments.....	(297,159)	(185,699)	(482,858)	(1,067,897)
BALANCE SHEET CASH.....	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (59,558)	\$ 54,581	\$ (4,977)	\$ (921,462)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.....	23,836	23,381	47,217	184,908
(Increase) decrease in:				
Accounts receivable.....	(27,739)	(4,992)	(32,731)	(9,539)
Due from other funds.....			-	(65)
Other.....			-	(30,400)
Increase (decrease) in:				
Accounts payable.....	13,459	21,892	35,351	179,556
Claims payable.....			-	(72,812)
Due to other funds.....			-	495,760
Compensated absences.....		4,337	4,337	
Landfill postclosure liability.....		(4,000)	(4,000)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (50,002)	\$ 95,199	\$ 45,197	\$ (174,054)

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2008

	POSTEMPLOYMENT HEALTHCARE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>		
CASH.....	\$ 50,000	\$ 51,298
INVESTMENTS, AT FAIR VALUE:		
Pooled fixed income.....		770,032
Bond mutual funds.....	158,209	
Equity mutual funds.....	151,836	
TOTAL INVESTMENTS.....	310,045	770,032
ACCOUNTS RECEIVABLE.....		13,252
DUE FROM OTHER FUNDS.....		338,210
TOTAL ASSETS.....	360,045	1,172,792
<u>LIABILITIES</u>		
LIABILITIES:		
Accounts payable.....		1,172,792
Due to other funds.....	63,226	
TOTAL LIABILITIES.....	63,226	1,172,792
<u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR POSTEMPLOYMENT HEALTHCARE PURPOSES.....	\$ 296,819	\$ -

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

TOWN OF MANSFIELD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	POST- EMPLOYMENT HEALTHCARE TRUST FUND
<hr/>	
ADDITIONS:	
Contributions:	
Employer.....	\$ 100,000
DEDUCTIONS:	
Benefits.....	<u>33,932</u>
CHANGE IN NET ASSETS.....	66,068
NET ASSETS - JULY 1, 2007.....	<u>230,751</u>
NET ASSETS - JUNE 30, 2008.....	<u><u>\$ 296,819</u></u>

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

TOWN OF MANSFIELD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

HISTORY AND ORGANIZATION

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

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

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

Discretely Presented Component Unit

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Town reports the following major governmental funds:

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

The *Mansfield Discretionary Fund* accounts for the activity of the prior community development block grants.

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

The *Compensated Absences Fund* accounts for the accumulation of resources for, and the payment of, compensated absences.

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

Investments - Both the Town and the component unit's eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital and nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

Investments for the Town and the component unit are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. The balance of the pooled fixed income investments were invested in a 2a-7 like pool which operates under state statutes. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all property tax, sewer use, sewer assessment, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 12 percent of outstanding receivable balances at June 30, 2008, and are calculated based upon prior collections.

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

Property taxes become an enforceable lien on October 1. Aggrieved parties may appeal to the Board of Tax Review, which must hear their petition during the month of February, following the lien date. The Board of Tax Review must render a final opinion no later than March 15. Property taxes are levied on July 1 and are due and payable in two installments; July 1 for the first half and January 1 for the second half. Property taxes receivable, net of an allowance for uncollectibles, are recorded as of the levy date. All bills under \$50 are due in full July 1. Motor vehicle taxes are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Certificates of continuing lien are filed against delinquent real estate taxes within the first year after the first installment of the tax. Real property valuations are established by the Assessor's office and reflect 70 percent of 2004 fair market values. Motor vehicle valuations reflect 70 percent of current retail value on the assessment date.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Restricted Assets

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

4. Capital Assets

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

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

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

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

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

5. Compensated Absences

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Long-Term Obligations

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

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

7. Fund Equity and Net Assets

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

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

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

8. Estimates

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

9. Reclassifications

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

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

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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

An appropriation of over 1 percent of the annual budget for an additional expenditure at the department level not provided for in the annual budget may be approved by consecutive favorable actions of the Council and a referendum of the electors of the Town at a special or regular election of the Town, as one or the other may be determined by the Council. There were \$644,000 of additional appropriations made during the year from increased revenue appropriations.

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Budget - GAAP Reconciliation

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

	GENERAL FUND		
	REVENUES	EXPENDITURES	FUND BALANCE
Balance - Budgetary Basis, Exhibit F - June 30, 2008	\$ 41,362,764	\$ 39,931,766	\$ 1,830,202
Encumbrances outstanding at June 30, 2007, liquidated during the year ended June 30, 2008		126,765	
Encumbrances outstanding at June 30, 2008, charged to budgetary expenditures during the year ended June 30, 2008		(157,377)	157,377
Teachers' Retirement System on-behalf payment.....	5,262,273	5,262,273	
Balance - GAAP Basis Exhibit D - June 30, 2008	\$ 46,625,037	\$ 45,163,427	\$ 1,987,579

C. Donor Restricted Endowments

The Town has received certain endowments for the maintenance and improvement of cemeteries and local schools. The amounts are reflected in net assets as restricted for other purposes. Investment income (including depreciation of \$83,168) is approved for expenditure by the individual Boards responsible for each fund.

D. Capital Projects Authorizations

The following is a summary of certain projects authorizations at June 30, 2008:

	AUTHORIZATION	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2008
Capital projects.....	\$ 29,496,286	\$ 22,117,883	\$ 7,378,403

E. Deficit Fund Balances

The following individual funds had a deficit fund balance at June 30, 2008:

Capital nonrecurring fund	\$ 35,909
Recreation program fund.....	13,848
Debt service fund.....	20,230

The deficits should be reduced in future years as additional transfers are received from the general fund for the capital nonrecurring and debt service funds and future charges for services for the recreation program fund.

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

III. DETAILED NOTES

A. Cash and Investments

1. Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2008, \$242,519 of the Town's bank balance of \$396,762 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 208,267
Uninsured and collateral held by the pledging bank's Trust department, not in the Town's name.....	34,252
Total amount subject to custodial credit risk.....	\$ 242,519

2. Investments - At June 30, 2008, the Town's investments (including the component unit) consisted of the following:

TYPE OF INVESTMENT	INVESTMENT MATURITIES (in years)				
	FAIR VALUE	N/A	LESS THAN 1	1-5	5-10
Mutual funds:					
Equity mutual funds.....	\$ 228,374	\$ 228,374	\$	\$	\$
Government bond mutual funds..	480,877				480,877
Corporate bond mutual funds.....	69,137				69,137
Money market mutual funds.....	76,348		76,348		
Pooled fixed income.....	6,611,597		6,611,597		
TOTAL.....	\$ 7,466,333	\$ 228,374	\$ 6,687,945	\$ -	\$ 550,014

Component Unit

At June 30, 2008, \$341,245 was invested in pooled fixed income, which has a maturity of less than one year.

Primary Government and Component Unit

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

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

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

2. Investments (Continued)

The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

<u>AVERAGE RATING</u>	<u>POOLED FIXED INCOME</u>	<u>MONEY MARKET MUTUAL FUNDS</u>	<u>CORPORATE BOND MUTUAL FUNDS</u>	<u>GOVERNMENT BOND MUTUAL FUNDS</u>
AAA.....	\$ 6,611,697	\$ 67,737	\$	\$ 324,784
AA.....			18,300	
BAA.....			50,837	
Unrated/U.S. government.....		8,611		156,093
TOTAL	\$ 6,611,597	\$ 76,348	\$ 69,137	\$ 480,877

Component Unit

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

Primary Government and Component Unit

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have any investments subject to custodial credit risk at June 30, 2008.

B. Receivables

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

	<u>PROPERTY TAXES</u>			<u>CDBG LOANS</u>
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion	\$ 264,549	\$ 72,468	\$ 337,017	\$ 55,352
Long-term Portion	\$ 346,595	\$ 96,836	\$ 443,431	\$ 1,051,198
Less Allowance for Uncollectibles	(60,000)	(20,000)	(80,000)	(22,131)
Net Long-term Portion	\$ 286,595	\$ 76,836	\$ 363,431	\$ 1,029,067

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

III. DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

DEFERRED REVENUE:	
Delinquent property taxes receivable (general fund).....	\$ 497,160
Special assessments not yet due (special revenue fund).....	13,300
Loan receivable not yet earned (special revenue fund).....	1,106,550
Contributions receivable not yet earned (capital projects fund).....	12,735
UNEARNED REVENUE:	
Advance tax collections (general fund).....	86,942
Unearned revenue on park and recreation fees (special revenue fund).....	127,435
Grant draw downs prior to meeting all eligibility requirements (special revenue fund).....	47,724
TOTAL UNEARNED REVENUE FOR GOVERNMENTAL FUNDS.....	<u>\$ 1,891,846</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government

	BALANCE JULY 1, 2007	INCREASES	DECREASES	BALANCE JUNE 30, 2008
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 4,151,772	\$ 146,400	\$	\$ 4,298,172
Construction in progress.....	4,644,352	1,014,343	1,172,288	4,486,407
Total Capital Assets, not being Depreciated.....	8,796,124	1,160,743	1,172,288	8,784,579
<u>Capital Assets, being Depreciated:</u>				
Land improvements.....	1,046,646	823,376		1,870,022
Buildings.....	32,986,614	406,872		33,393,486
Improvements other than buildings.....	382,839			382,839
Machinery and equipment	3,873,601	764,319		4,637,920
Vehicles	2,896,546	23,119		2,919,665
Infrastructure.....	47,636,909	1,240,000		48,876,909
Total Capital Assets, being Depreciated	88,823,155	3,257,686	-	92,080,841
Total Capital Assets.....	97,619,279	4,418,429	1,172,288	100,865,420
<u>Less Accumulated Depreciation for:</u>				
Land improvements	155,475	36,647		192,122
Buildings.....	11,214,283	865,338		12,079,621
Improvements other than buildings.....	183,313	11,354		194,667
Machinery and equipment	2,623,051	289,548		2,912,599
Vehicles	1,565,444	171,506		1,736,950
Infrastructure.....	14,184,866	606,275		14,791,141
Total Accumulated Depreciation	29,926,432	1,980,668	-	31,907,100
Total Capital Assets, being Depreciated, net	58,896,723	1,277,018	-	60,173,741
Governmental Activities Capital Assets, net	<u>\$ 67,692,847</u>	<u>\$ 2,437,761</u>	<u>\$ 1,172,288</u>	<u>\$ 68,958,320</u>

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	BALANCE JULY 1, 2007	INCREASES	DECREASES	BALANCE JUNE 30, 2008
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 74,798	\$	\$	\$ 74,798
Construction in progress.....	69,007	18,199		87,206
Total Capital Assets, not being Depreciated	143,805	18,199	-	162,004
<u>Capital Assets, being Depreciated:</u>				
Buildings.....	139,625			139,625
Equipment.....	401,232			401,232
Pump station	161,702			161,702
Sewer distribution system.....	1,152,126			1,152,126
Total Capital Assets, being Depreciated	1,854,685	-	-	1,854,685
Total Capital Assets.....	1,998,490	18,199	-	2,016,689
<u>Less Accumulated Depreciation for:</u>				
Buildings.....	109,549	8,543		118,092
Equipment.....	295,942	14,838		310,780
Pump station	40,508	2,891		43,399
Sewer distribution system.....	720,410	20,945		741,355
Total Accumulated Depreciation	1,166,409	47,217	-	1,213,626
Total Capital Assets, being Depreciated, net	688,276	(47,217)	-	641,059
Business-Type Activities Capital Assets, net.....	\$ 832,081	\$(29,018)	\$ -	\$ 803,063

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

<u>Governmental Activities:</u>	
General government	\$ 71,487
Public safety	25,326
Public works	833,066
Community services	308,813
Education.....	557,068
Capital assets held by Town's internal service funds are charged to the various functions based on their usage of the assets	184,908
Total Depreciation Expense - Governmental Activities.....	\$ 1,980,668
<u>Business-type Activities:</u>	
Sewer	\$ 23,836
Solid waste.....	23,381
Total Depreciation Expense - Business-Type Activities.....	\$ 47,217

Construction Commitments

The Town has active construction projects as of June 30, 2008. The projects include the Community Center. At year end, the Town's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Community Center.....	\$ 76,157

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2008 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
MAJOR FUNDS:			
GENERAL FUND:			
Performance bonds.....	N/A	\$	\$ 338,210
Post employment healthcare trust	N/A	63,226	
Capital nonrecurring fund	N/A	35,909	
Bond fund	N/A	20,230	
Compensated absences fund	N/A	569,315	
Health insurance.....	N/A	386,747	
Management services.....	N/A	184,396	
		1,259,823	338,210
TOTAL GENERAL FUND			
CAPITAL PROJECTS:			
Capital projects	Health Insurance		1,803
COMPENSATED ABSENCES FUND:			
Compensated absences fund	General Fund		569,315
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Bond fund	General Fund		20,230
Capital nonrecurring fund	General Fund		35,909
Recreation program fund	Health Insurance		6,683
School cafeteria services fund.....	Health Insurance		8,689
		-	71,511
TOTAL SPECIAL REVENUE FUNDS			
INTERNAL SERVICE FUNDS:			
Health insurance:			
General fund.....	N/A		386,747
Capital projects	N/A	1,803	
Recreation program fund.....	N/A	6,683	
School cafeteria services fund.....	N/A	8,689	
Management services	N/A	1,913	
Management services	Health Insurance		1,913
Management services	General Fund		184,396
		19,088	573,056
TOTAL INTERNAL SERVICE FUNDS			
FIDUCIARY FUNDS:			
Performance bonds.....	General Fund	338,210	
Postemployment healthcare trust	General Fund		63,226
		338,210	63,226
TOTAL FIDUCIARY FUNDS			
GRAND TOTAL		\$ 1,617,121	\$ 1,617,121

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

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
<u>MAJOR FUNDS:</u>			
<u>GENERAL FUND:</u>			
Capital projects fund	N/A	\$	\$ 10,000
Capital nonrecurring fund	N/A		644,000
Recreation program fund.....	N/A		245,920
Other operating funds.....	N/A		52,500
School cafeteria fund.....	N/A	2,500	20,000
Bond fund.....	N/A		400,000
TOTAL GENERAL FUND.....		2,500	1,372,420
<u>CAPITAL PROJECTS FUND:</u>			
General fund.....	N/A	10,000	
Town aid road fund.....	N/A	15,000	
Capital nonrecurring fund	N/A	528,300	
TOTAL CAPITAL PROJECTS FUND		553,300	-
<u>COMPENSATED ABSENCES FUND:</u>			
Capital nonrecurring fund	N/A	50,000	
<u>NONMAJOR FUNDS:</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
<u>Capital nonrecurring fund:</u>			
General fund.....	N/A	644,000	
Capital projects.....	N/A		528,300
Compensated absences fund.....	N/A		50,000
Recreation program fund.....	N/A		251,538
Other operating funds.....	N/A		25,000
Debt service fund	N/A		200,000
Management services	N/A		200,000
<u>Recreation program fund:</u>			
General fund.....	N/A	245,920	
Capital nonrecurring fund	N/A	251,538	
<u>Other operating fund:</u>			
General fund.....	N/A	52,500	
Capital nonrecurring fund	N/A	25,000	
<u>School cafeteria fund:</u>			
General fund.....	N/A	20,000	2,500
Town aid road	Capital Projects Fund		15,000
TOTAL SPECIAL REVENUE FUNDS		1,238,958	1,272,338

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers (Continued)

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
DEBT SERVICE FUND:			
Bond fund:			
General fund.....	N/A	\$ 400,000	\$
Capital nonrecurring fund	N/A	200,000	
TOTAL DEBT SERVICE FUND.....		600,000	-
TOTAL NONMAJOR FUNDS.....		1,838,958	1,272,338
INTERNAL SERVICE FUNDS:			
Management services:			
Capital nonrecurring fund	N/A	200,000	
GRAND TOTAL.....		\$ 2,644,758	\$ 2,644,758

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

E. Changes in Long-Term Obligations

1. Summary of Changes

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008	CURRENT PORTION
BONDS:									
General Purpose:									
Refunding bond ...	\$ 725,000	02/15/04	06/01/14	2.00%-4.00%	\$ 475,000	\$	\$ 80,000	\$ 395,000	\$ 70,000
Taxable bond.....	2,590,000	02/15/04	06/01/13	1.32%-5.00%	1,680,000		225,000	1,455,000	225,000
Total General Purpose.....					2,155,000	-	305,000	1,850,000	295,000
Schools:									
Improvement bond	4,775,000	10/15/89	06/15/09	6.75%-6.8%	200,000		150,000	50,000	50,000
Improvement bond	2,525,000	06/15/90	06/15/09	6.5%-8.0%	200,000		100,000	100,000	100,000
Refunding bond .	940,000	02/15/04	06/01/14	2.00%-4.00%	610,000		105,000	505,000	85,000
Total Schools					1,010,000	-	355,000	655,000	235,000
TOTAL BONDS					3,165,000	-	660,000	2,505,000	530,000
BOND PREMIUM.....					8,592		1,228	7,364	
DEFERRED CHARGE ON REFUNDING.....					(130,532)		(18,648)	(111,884)	
TOTAL BONDS AND RELATED LIABILITIES					3,043,060	-	642,580	2,400,480	530,000
ACCRUED COMPENSATED ABSENCES.....					639,182	1,067,385	1,095,765	610,802	122,160
RETIREMENT BENEFIT.....					2,258,966	637,799	334,890	2,561,875	387,514
TOTAL LONG-TERM OBLIGATIONS					\$ 5,941,208	\$ 1,705,184	\$ 2,073,235	\$ 5,573,157	\$ 1,039,674

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

Enterprise Funds

	BALANCE JULY 1, 2007			ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008		CURRENT PORTION		
ACCRUED COMPENSATED ABSENCES.....	\$	12,924	\$	13,570	\$	9,233	\$	17,261	\$	3,452
LANDFILL CLOSURE/POSTCLOSURE.....		112,000				4,000		108,000		4,000
TOTAL GENERAL LONG-TERM OBLIGATIONS.....	\$	124,924	\$	13,570	\$	13,233	\$	125,261	\$	7,452

Summary of Debt Service Requirements to Maturity

The annual requirements to amortize serial bonds outstanding at June 30, 2008, are as follows:

SCHOOLS

YEAR ENDING JUNE 30	PRINCIPAL	STATE REIMBURSE- MENT	NET PRINCIPAL PAYMENTS TO MATURITY	INTEREST	STATE REIMBURSE- MENT	NET INTEREST PAYMENTS TO MATURITY	NET DEBT SERVICE TO MATURITY
2009	\$ 235,000	\$ 99,288	\$ 135,712	\$ 24,914	\$ 5,931	\$ 18,983	\$ 154,695
2010	90,000		90,000	13,388		13,388	103,388
2011	85,000		85,000	10,912		10,912	95,912
2012	85,000		85,000	8,362		8,362	93,362
2013	80,000		80,000	5,600		5,600	85,600
2014	80,000		80,000	2,880		2,880	82,880
	<u>\$ 655,000</u>	<u>\$ 99,288</u>	<u>\$ 555,712</u>	<u>\$ 66,056</u>	<u>\$ 5,931</u>	<u>\$ 60,125</u>	<u>\$ 615,837</u>

GENERAL PURPOSE

YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL	TOTAL NET DEBT SERVICE TO MATURITY
2009	\$ 295,000	\$ 79,290	\$ 374,290	\$ 528,985
2010	365,000	68,540	433,540	536,928
2011	370,000	53,853	423,853	519,765
2012	375,000	37,292	412,292	505,654
2013	380,000	20,300	400,300	485,900
2014	65,000	2,340	67,340	150,220
	<u>\$ 1,850,000</u>	<u>\$ 261,615</u>	<u>\$ 2,111,615</u>	<u>\$ 2,727,452</u>

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

State Reimbursement

Amounts in the State reimbursement columns are projected school construction grants to be received in the years subsequent to June 30, 2008, and represent principal and interest subsidies from the State of Connecticut.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

Overlapping and Underlying Indebtedness

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

	AMOUNT OF OUTSTANDING DEBT	APPLICABLE GRANTS RECEIVABLE	NET DEBT OUTSTANDING	APPLICABLE % OF NET DEBT CHARGED TO TOWN	TOWN NET OVERLAPPING DEBT
Regional School District No.19	\$ 17,955,000	\$ 12,543,076	\$ 5,411,924	56.72%	\$ 3,069,643

2. Termination Benefits

The Town provides severance payments to teachers and certain administrators upon retirement. To qualify for benefits the employee must achieve age 70 with at least 15 years of service as a teacher in Mansfield. The Town funds the severance cost for the 20 eligible participants. The benefits will be paid in future years as the employees retire. The amounts are paid as incurred from the General Fund. During the fiscal year ended June 30, 2008, \$334,890 was paid for these benefits.

3. Statutory Debt Limitations

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

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
General purpose	\$ 49,031,192	\$ 1,850,000	\$ 47,181,192
Schools	98,062,385	3,625,355	94,437,030
Sewers	81,718,654		81,718,654
Urban renewal	70,822,833		70,822,833
Pension deficit	65,374,923		65,374,923

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$152,541,487.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$99,288 for bond principal are reflected as deductions in the computation of net indebtedness.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

4. Authorized/Unissued Bonds

At June 30, 2008, the Town had \$5,000,000 of authorized and unissued bonds, \$1,200,000 for general purposes and \$3,800,000 for school purposes

5. Landfill Closure and Postclosure Care Costs (Solid Waste Nonmajor Enterprise Fund)

State and Federal laws and regulations require landfill closures to meet certain standards. The Town is in the process of finalizing an agreement with the State Department of Environmental Protection for final capping of the landfill. The landfill was covered in November 2004. The monitoring costs for the next 27 years at \$4,000 per year are \$108,000. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations. The liability as described above is recorded in the nonmajor enterprise solid waste disposal fund.

IV. OTHER INFORMATION

A. Risk Management

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

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

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

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

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

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

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

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIMS PAID	CLAIMS PAYABLE <u>JUNE 30</u>
2006-07.....	\$ 480,000	\$ 5,479,427	\$ 5,433,137	\$ 526,290
2007-08.....	526,290	5,498,430	5,571,242	453,478

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

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

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

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

B. Commitments and Litigation

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

The Town has received financial assistance from numerous Federal and State agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the Town's financial statements.

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans

1. Municipal Employees' Retirement Fund

a. Plan Description

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

b. Plan Provisions

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

c. Funding Policy

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

The required and actual contributions for the years ended June 30, 2006, 2007 and 2008 were \$486,998, \$534,789 and \$608,670, respectively.

D Postemployment Healthcare Trust Fund

1. Plan Description

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

IV. OTHER INFORMATION (CONTINUED)

D. Postemployment Healthcare Trust Fund (Continued)

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The other Postemployment Healthcare Trust Fund's financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and revenues (investment income) is recognized when they are earned and expenses (benefits and administration) are recognized when due and payable in accordance with terms of the plan. Administration costs are financed from investment earnings.

b. Valuation of Investments

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

3. Classes of Employees Covered

The Postemployment Healthcare Trust Fund membership consisted of 21 active employees at June 30, 2008.

4. Benefit Provisions

a. Benefit Provisions

The plan provides for medical and dental benefits for all eligible retirees and their spouses. The plan covers certain employees as defined by collective bargaining agreements with Local 531 (police) employees, Local 760 employees, public works employees and nonunion administrative employees. Benefits and contributions are established by contract and may be amended by union negotiations.

b. Employer Contributions

The Town's contribution is funded on an annual basis by general fund appropriations. The Town's contribution was \$100,000 for the year ended June 30, 2008.

c. Employee Contributions

There is no required participant contribution.

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

IV. OTHER INFORMATION (CONTINUED)

E. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the Town's teachers to the Connecticut State Teachers' Retirement System was \$5,262,273.

F. Subsequent Events

Subsequent to June 30, 2008, the stock market experienced a significant decline in value. The finance committee and Board of Education continue to monitor its investments closely in accordance with its investment policy and asset allocation.

On October 3, 2008, FDIC deposit insurance temporarily increased from \$100,000 to \$250,000 per depositor through December 31, 2009.

Supplemental Schedules

General Fund

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

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2008 AND 2007

	2008	2007		2008	2007
<u>ASSETS</u>			<u>LIABILITIES AND FUND BALANCE</u>		
Cash.....	\$	\$ 126,383	LIABILITIES:		
Investments.....	3,187,643	3,365,660	Cash overdraft.....	\$ 378,972	\$ 586,473
Property taxes receivable.....	611,144	505,866	Accounts and other payables:		
Accounts receivable:			Accounts payable.....	91,206	142,504
Other.....	70,885	50,888	Payroll deductions.....	412,119	411,015
Total Accounts receivable.....	70,885	50,888	Due to State of Connecticut.....	12,844	13,571
Due from other funds.....	1,259,823	781,722	Total Accounts and other payables.....	516,169	567,090
TOTAL ASSETS.....	\$ 5,129,495	\$ 4,830,519	Accrued liabilities.....	1,324,463	774,412
			Due to other funds.....	338,210	458,490
			Deferred and unearned revenue:		
			Advance tax collections.....	86,942	153,874
			Property taxes.....	497,160	394,291
			Total Deferred and unearned revenue.....	584,102	548,165
			TOTAL LIABILITIES.....	3,141,916	2,934,630
			FUND BALANCE:		
			Reserved for encumbrances.....	157,377	126,765
			Unreserved and undesignated.....	1,830,202	1,769,124
			TOTAL FUND BALANCE.....	1,987,579	1,895,889
			TOTAL LIABILITIES AND FUND BALANCE.....	\$ 5,129,495	\$ 4,830,519

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
 SCHEDULE OF CHANGES IN FUND BALANCE - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2008

FUND BALANCE - JULY 1, 2007.....					\$ 1,769,124
				VARIANCE WITH FINAL BUDGET	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES AND TRANSFERS IN:					
Total revenues and transfers in.....	\$ 40,923,342	\$ 41,567,342	\$ 41,365,264	\$ (202,078)	
EXPENDITURES AND TRANSFERS OUT:					
Town.....	\$ 11,773,910	\$ 12,417,910	\$ 12,406,767	\$ 11,143	
Mansfield board of education.....	19,839,620	19,839,620	19,587,607	252,013	
Contribution to Region No. 19 board of education.....	9,309,812	9,309,812	9,309,812	-	
TOTAL EXPENDITURES AND TRANSFERS OUT.....	\$ 40,923,342	\$ 41,567,342	\$ 41,304,186	\$ 263,156	
NET CHANGE IN FUND BALANCE.....					<u>61,078</u>
FUND BALANCE - JUNE 30, 2008.....					\$ <u>1,830,202</u>
FUND BALANCE (EXHIBIT C):					
Unreserved and undesignated.....					\$ <u>1,830,202</u>

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Current year levy.....	\$ 21,295,682	\$ 21,295,682	\$ 21,314,099	\$ 18,417
Prior year levy.....	200,000	200,000	161,382	(38,618)
Interest and lien fees.....	125,000	125,000	114,354	(10,646)
Motor vehicle supplement.....	175,000	175,000	181,327	6,327
Suspense collections taxes.....	6,000	6,000	17,165	11,165
Suspense collections interest.....	4,000	4,000	21,453	17,453
Motor vehicle penalty.....	4,200	4,200	2,023	(2,177)
Collection fees.....			165	165
Telecom services payment.....	100,000	100,000	99,810	(190)
PILOT - senior housing.....			9,399	9,399
TOTAL PROPERTY TAXES.....	21,909,882	21,909,882	21,921,177	11,295
INTERGOVERNMENTAL:				
STATE:				
BOARD OF EDUCATION:				
Education assistance.....	9,222,950	9,645,950	9,647,880	1,930
School transportation.....	269,620	269,620	277,161	7,541
TOTAL BOARD OF EDUCATION.....	9,492,570	9,915,570	9,925,041	9,471
GENERAL GOVERNMENT:				
PILOT - State property.....	7,806,360	8,027,360	8,020,784	(6,576)
Circuit breaker.....	44,000	44,000	35,303	(8,697)
Circuit court - parking fines.....			1,295	1,295
Tax relief for elderly freeze.....	1,840	1,840	2,000	160
Library - connecticard.....	12,000	12,000	19,644	7,644
Library - basic grant.....	2,500	2,500	2,403	(97)
Tax credit - new manufacturing equipment.....	6,830	6,830	7,161	331
Boat reimbursement.....	2,500	2,500	2,503	3
Judicial Revenue Distribution.....	3,000	3,000	11,417	8,417
Disability exempt reimbursement.....	800	800	1,074	274
Civil preparedness.....	7,000	7,000	6,000	(1,000)
Veterans' reimbursement.....	6,370	6,370	6,275	(95)
PILOT - Holinko Estates.....	13,500	13,500	14,518	1,018
TOTAL GENERAL GOVERNMENT.....	7,906,700	8,127,700	8,130,377	2,677
FEDERAL:				
In lieu of taxes.....	1,850	1,850	1,927	77
Social service block grant.....	3,650	3,650	3,657	7
TOTAL FEDERAL.....	5,500	5,500	5,584	84
TOTAL INTERGOVERNMENTAL.....	17,404,770	18,048,770	18,061,002	12,232
INVESTMENT INCOME.....	600,000	600,000	454,890	(145,110)

(Continued)

SCHEDULE 3
(2 of 3)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
CHARGES FOR SERVICES:				
Data processing - Region No. 19.....	\$ 10,390	\$ 10,390	\$ 10,390	\$ -
Region No. 19 financial services.....	72,920	72,920	72,920	-
Health district services.....	12,470	12,470	12,470	-
Recording.....	75,000	75,000	60,793	(14,207)
Copies of records.....	13,400	13,400	13,145	(255)
Vital statistics.....	5,000	5,000	6,283	1,283
Sale of maps/regulations.....	60	60	92	32
Police service.....	41,600	41,600	69,370	27,770
Redemption/release fees.....	3,000	3,000	2,169	(831)
Animal adoption fees.....	1,600	1,600	1,030	(570)
Redemption fees - Hampton/Scotland.....	400	400	273	(127)
Adoption fees- Hampton/ Scotland.....	20	20	45	25
Postage on overdue books.....	16,000	16,000	17,963	1,963
Blueprints.....	100	100	134	34
Region No. 19 grounds maintenance.....	73,620	73,620	73,620	-
Zoning regulations.....	250	250	183	(67)
Daycare grounds maintenance.....	10,390	10,390	10,390	-
Charges for services.....	2,000	2,000	2,503	503
Celeron square bikepath maintenance.....	2,700	2,700	2,700	-
Licenses and permits.....	2,140	2,140	2,582	442
Sport licenses.....	700	700	540	(160)
Dog licenses.....	7,500	7,500	7,851	351
Conveyance tax.....	255,000	255,000	229,079	(25,921)
Trailer and subdivision permits.....	5,000	5,000	4,195	(805)
Zoning permits.....	18,000	18,000	16,162	(1,838)
ZBA applications.....	1,500	1,500	1,010	(490)
IWA permits.....	4,000	4,000	1,950	(2,050)
Sewer permits.....	50	50		(50)
Road permits.....	2,700	2,700	2,150	(550)
Building permits.....	292,000	292,000	199,344	(92,656)
Administrative cost - reimb. permits.....	100	100	170	70
Housing code permits.....	58,000	58,000	62,515	4,515
Housing code penalties.....	100	100		(100)
Landlord Registrations.....			2,065	2,065
Parking tickets - Town.....	4,500	4,500	3,425	(1,075)
Building fines.....	250	250	340	90
Rent - Region No. 19 maintenance.....	2,790	2,790	2,790	-
Rent - Historical Society.....	2,000	2,000	2,700	700
Rent - Animal control.....	5,590	5,590	6,960	1,370
Rent - Town hall.....	500	500	200	(300)
Rent - senior center.....	100	100		(100)
General assistance - individuals.....			13,989	13,989
TOTAL CHARGES FOR SERVICES.....	1,003,440	1,003,440	916,490	(86,950)

(Continued)

SCHEDULE 3
(3 of 3)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OTHER LOCAL REVENUES:				
Other.....	\$ 2,750	\$ 2,750	\$ 9,205	\$ 6,455
TOTAL REVENUES.....	40,920,842	41,564,842	41,362,764	(202,078)
OTHER FINANCING SOURCES:				
Transfers in:				
School cafeteria fund.....	2,500	2,500	2,500	-
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 40,923,342	\$ 41,567,342	\$ 41,365,264	\$ (202,078)

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:					
Town council:					
Legislative.....	\$ 80,270	\$ 107	\$ 80,377	\$ 80,377	\$ -
Charter Revisions.....	2,000	(1,712)	288	288	-
Town manager:					
Municipal management.....	182,840	3,481	186,321	186,321	-
Personnel management.....	75,210	54,774	129,984	129,984	-
Legal:					
Town attorney.....	20,000	32,476	52,476	52,476	-
Probate.....	2,230	(345)	1,885	1,885	-
Elections:					
Registrars.....	28,650	10,354	39,004	39,004	-
Town clerk.....	176,180	9,103	185,283	185,283	-
General elections.....	17,550	(3,160)	14,390	14,390	-
Finance:					
Administration.....	68,830	(778)	68,052	68,052	-
Accounting and disbursements.....	261,170	(7,986)	253,184	253,184	-
Revenue collection.....	143,990	(1,092)	142,898	142,898	-
Property assessment.....	176,450	(1,762)	174,688	174,688	-
Central copying.....	39,000	1,336	40,336	40,336	-
Central services.....	33,800	589	34,389	34,389	-
Data processing.....	62,820	(8,270)	54,550	54,550	-
TOTAL GENERAL GOVERNMENT.....	1,370,990	87,115	1,458,105	1,458,105	-
PUBLIC SAFETY:					
Police protection:					
Police services.....	901,430	(79,920)	821,510	821,510	-
Animal control.....	87,120	(4,346)	82,774	82,774	-
Fire protection:					
Fire marshal.....	115,410	2,208	117,618	117,618	-
Fire and emergency services admin.....	200,270	(1,385)	198,885	198,885	-
Fire and emergency services.....	1,369,930	114,343	1,484,273	1,484,273	-
Emergency management.....	34,020	(1,793)	32,227	32,227	-
TOTAL PUBLIC SAFETY.....	2,708,180	29,107	2,737,287	2,737,287	-
PUBLIC WORKS:					
Administration.....	169,780	(97,085)	72,695	72,695	-
Operating services:					
Supervision and operation.....	84,280	(1,704)	82,576	82,576	-
Road services.....	661,740	81,562	743,302	743,302	-
Grounds maintenance.....	285,890	7,560	293,450	293,450	-
Equipment maintenance.....	488,690	24,854	513,544	513,544	-
Engineering.....	210,060	(50,334)	159,726	159,726	-
Buildings:					
Building inspection.....	155,750	(2,123)	153,627	153,627	-
Housing Code Enforcement.....	113,140	5,867	119,007	119,007	-
Building maintenance.....	736,140	30,569	766,709	766,709	-
TOTAL PUBLIC WORKS.....	2,905,470	(834)	2,904,636	2,904,636	-

(Continued)

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

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
COMMUNITY SERVICES:					
Social service administration.....	\$ 274,130	\$ (15,634)	\$ 258,496	\$ 258,496	\$ -
Mansfield challenge - winter.....	2,650	493	3,143	3,143	-
Youth employment - middle school.....	4,000	600	4,600	4,600	-
Youth services.....	115,180	(20,219)	94,961	94,961	-
Senior services.....	209,130	(395)	208,735	208,735	-
Library administration.....	605,500	(19,224)	586,276	586,276	-
Recreation administration.....	194,610	(194,610)			-
Contribution to area agencies.....	304,030	(1,211)	302,819	302,819	-
TOTAL COMMUNITY SERVICES.....	1,709,230	(250,200)	1,459,030	1,459,030	-
COMMUNITY DEVELOPMENT:					
Planning administration.....	220,760	(3,451)	217,309	217,309	-
Planning/zoning inland/wetland.....	19,050	(8,455)	10,595	10,595	-
Downtown partnership.....	62,000		62,000	62,000	-
Boards and commissions.....	8,500	(3,233)	5,267	5,267	-
TOTAL COMMUNITY DEVELOPMENT.....	310,310	(15,139)	295,171	295,171	-
TOWNWIDE EXPENDITURES:					
Employee benefits.....	2,132,350	(59,140)	2,073,210	2,073,210	-
Medical Pension Trust.....	50,000		50,000	50,000	-
Insurance.....	121,880	2,028	123,908	123,908	-
Contingency.....	50,000	(38,857)	11,143		11,143
TOTAL TOWNWIDE EXPENDITURES.....	2,354,230	(95,969)	2,258,261	2,247,118	11,143
TOTAL TOWN EXPENDITURES.....	11,358,410	(245,920)	11,112,490	11,101,347	11,143
EDUCATION:					
Contribution to Region No. 19 board of education.....	9,309,812		9,309,812	9,309,812	-
Mansfield board of education.....	19,787,620	(15,000)	19,772,620	19,520,607	252,013
TOTAL EDUCATION.....	29,097,432	(15,000)	29,082,432	28,830,419	252,013
TOTAL EXPENDITURES.....	40,455,842	(260,920)	40,194,922	39,931,766	263,156
OTHER FINANCING USES:					
Transfers out:					
Special revenue funds:					
Capital Nonrecurring.....		644,000	644,000	644,000	-
Recreation program fund.....		245,920	245,920	245,920	-
Other operating funds - town.....	15,500		15,500	15,500	-
Other operating funds - board.....	52,000	15,000	67,000	67,000	-
Bond fund.....	400,000		400,000	400,000	-
TOTAL OTHER FINANCING USES.....	467,500	904,920	1,372,420	1,372,420	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 40,923,342	\$ 644,000	\$ 41,567,342	\$ 41,304,186	\$ 263,156

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
 SCHEDULE OF BOARD OF EDUCATION EXPENDITURES
 AND OTHER FINANCING USES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL APPROPRIATION	ADDITIONS (REDUCTIONS) AND TRANSFERS	FINAL APPROPRIATION	EXPENDITURES	VARIANCE WITH FINAL BUDGET
EXPENDITURES:					
Regular instruction.....	\$ 7,323,260	\$ (155,291)	\$ 7,167,969	\$ 7,167,969	\$ -
English.....	53,620	(2,483)	51,137	51,137	-
World languages.....	10,440	(2,319)	8,121	8,121	-
Health and safety.....	8,870	(1,145)	7,725	7,725	-
Physical education.....	14,750	(806)	13,944	13,944	-
Art.....	14,130	(978)	13,152	13,152	-
Mathematics.....	29,700	(6,137)	23,563	23,563	-
Music.....	19,270	(1,454)	17,816	17,816	-
Science.....	29,980	(705)	29,275	29,275	-
Social studies.....	24,660	(1,386)	23,274	23,274	-
Computer education.....	247,740	34,782	282,522	282,522	-
Family and consumer sciences.....	10,120	(2,800)	7,320	7,320	-
Technology education.....	10,150	(25)	10,125	10,125	-
Special ed instruction.....	1,355,200	(15,867)	1,339,333	1,339,333	-
Enrichment.....	390,790	(8,941)	381,849	381,849	-
Preschool.....	305,240	(42,509)	262,731	262,731	-
Remedial education.....	420,640	(138,509)	282,131	282,131	-
Summer school free only (ED001).....	44,000	(11,647)	32,353	32,353	-
Tuition payments.....	275,000	(30,269)	244,731	244,731	-
Central service - instructional supplies.....	165,440	(5,397)	160,043	160,043	-
Guidance services.....	117,240	(3,510)	113,730	113,730	-
Health services.....	210,700	(12,519)	198,181	198,181	-
Occupational and physical therapy.....	173,000	83,577	256,577	256,577	-
Speech and hearing services.....	167,630	(91)	167,539	167,539	-
Pupil services - testing.....	11,570	(11,570)	-	-	-
Psychological services - S.E.....	320,050	(283)	319,767	319,767	-
Curriculum development.....	254,030	738	254,768	254,768	-
Professional development.....	39,230	(1,970)	37,260	37,260	-
Media services.....	36,710	7,795	44,505	44,505	-
Library.....	272,960	(3,707)	269,253	269,253	-
Board of education.....	279,440	284,490	563,930	311,917	252,013
Superintendent's office.....	343,740	5,943	349,683	349,683	-
Special education admin.....	260,410	14,235	274,645	274,645	-
Principals' office.....	896,560	15,228	911,788	911,788	-
Support services - central.....	32,620	(3,676)	28,944	28,944	-
Field studies.....	13,500	(482)	13,018	13,018	-
Business management.....	323,380	(7,665)	315,715	315,715	-
Plant operations - building.....	1,642,060	8,474	1,650,534	1,650,534	-
Regular transportation.....	699,850	(16,289)	683,561	683,561	-
Special education transportation.....	109,440	51,822	161,262	161,262	-
After school program.....	30,330	1,551	31,881	31,881	-
Athletic program.....	31,320	(69)	31,251	31,251	-
Employee benefits.....	2,768,850	(33,136)	2,735,714	2,735,714	-
TOTAL EXPENDITURES.....	19,787,620	(15,000)	19,772,620	19,520,607	252,013
OTHER FINANCING USES:					
Transfers out:					
Other operating funds.....	52,000	15,000	67,000	67,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 19,839,620	\$ -	\$ 19,839,620	\$ 19,587,607	\$ 252,013

TOWN OF MANSFIELD, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2008

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2007	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2008
			ADDITIONS *	DEDUCTIONS **			TAXES	INTEREST AND LIEN FEES	TOTAL	
1999	\$ 269	\$	\$	\$	\$	269	39	\$ 1,453	\$ 1,492	\$ 230
2000	2,680				2,680	2,039	2,039	1,364	3,403	641
2001	6,530				6,530	3,801	3,801	4,935	8,736	2,729
2002	16,051				16,051	8,140	8,140	6,819	14,959	7,911
2003	37,371		68		37,303	10,762	10,762	8,123	18,885	26,541
2004	134,798		316		131,899	44,205	44,205	15,723	59,928	87,694
2005	308,167		1,225	8,602	300,790	145,034	145,034	33,880	178,914	155,756
TOTAL PRIOR YEARS	505,866	-	1,541	11,885	495,522	214,020	214,020	72,297	286,317	281,502
2006		21,787,181	84,022	101,462	21,769,741	21,440,099	21,440,099	52,854	21,492,953	329,642
TOTAL	\$ 505,866	\$ 21,787,181	\$ 85,563	\$ 113,347	\$ 22,265,263	21,654,119	21,654,119	125,151	21,779,270	\$ 611,144
					Advance collections	86,942	86,942			
					Suspense collections	17,202	17,202	20,742	37,944	
					Total collections	\$ 21,758,263	\$ 21,758,263	\$ 145,893	\$ 21,904,156	

* Includes reduction of elderly credit

** Includes local elderly option

Capital Projects Fund

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

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL PROJECTS FUND
SCHEDULE OF CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

PROJECT	PROJECT APPROPRIATION	PRIOR YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT APPROPRIATION
Town hall additional parking.....	\$ 60,000	\$ 60,000	\$	\$ 60,000	\$ -
Landscape public buildings.....	10,000	10,000		10,000	-
Community Center Architectual Study.....	21,800	19,850	1,950	21,800	-
Town hall modifications.....	35,000	35,000		35,000	-
Reroof old town hall.....	16,000	16,000		16,000	-
Pool cars 2006/2007.....	40,000	40,000		40,000	-
Mobile Compact Shelving.....	65,584		65,584	65,584	-
Water supply study.....	60,000	90,000	(30,000)	60,000	-
Plan of conservation and development.....	13,597	13,242	355	13,597	-
Traffic consultant.....	33,480	50,000	(16,520)	33,480	-
Strategic Planning Study.....	40,000		40,000	40,000	-
Ventilation/exhaust system.....	6,210	8,000	(1,790)	6,210	-
Replace engine 107/117.....	752,230	550,331	70,000	620,331	(131,899)
Refurbish engine ET207.....	40,000	40,000		40,000	-
Police cruiser 2006/2007.....		25,000	(25,000)	-	-
Fire chief vehicle.....	34,947	35,000	(53)	34,947	-
Rescue vehicle 2006/2007.....	190,000	95,000	95,000	190,000	-
Large diameter fire hose.....	10,000	10,000		10,000	-
SCBA equipment upgrade.....	59,800	59,800		59,800	-
State police radio.....	5,000	5,000		5,000	-
SCBA Equipment.....	194,740		149,827	149,827	(44,913)
Vehicle key boxes.....	7,500	7,500		7,500	-
Fire ponds.....	15,500	15,500		15,500	-
Tree replacement.....	17,500	17,500		17,500	-
Town garage furnaces.....	11,576	10,000	1,576	11,576	-
Small bridges and culverts.....	254,084	254,084		254,084	-
Large bridge maintenance.....	431,286	673,236	(241,950)	431,286	-
Stone mill bridge.....	1,592,350	24,890	146,350	171,240	(1,421,110)
Town walkways.....	378,000	295,000		378,000	-
Laurel Lane bridge.....	175,600	47,183	175,600	222,783	47,183
Road drainage.....	320,311	320,311		320,311	-
Birch road T.E.P.....	870,450	821,283	42,937	864,220	(6,230)
Guard rails.....	29,197	29,197		29,197	-
Mansfield center T.E.P.....	355,577	380,951	(25,373)	355,578	1
Maple road reconstruction.....	91,567	115,000	(23,433)	91,567	-
Road resurfacing.....	1,390,677	1,183,318	223,837	1,407,155	16,478
Clover Mill Road reclaim.....	144,200	159,794	6,323	166,117	21,917
Separatist Road bikeway.....	602,539	650,000	(47,461)	602,539	-
Large dump truck 2005/2006.....	105,676	98,811	6,865	105,676	-
Garage service truck.....	54,642	60,000	(5,358)	54,642	-
Pickup truck 2006/2007.....	25,000	25,000		25,000	-
Snowplows.....	4,000	11,000	(7,000)	4,000	-
Vac-all body replacement.....	8,855	30,000	(21,145)	8,855	-
Engineering CAD upgrades.....	123,500	123,500		123,500	-
Mapping workstation and software.....	120,000	120,000		120,000	-
Vehicle AVL system.....	19,050	25,000	(5,950)	19,050	-
New town aerial photos.....	33,240	35,000	(1,760)	33,240	-
Storrs center area improvement.....	475,000	450,000	25,000	475,000	-
MDP revital and enhancement.....	1,140,000	538,064	100,167	638,231	(501,769)
ADA compliance.....	26,300	25,000	1,300	26,300	-
MDD canopy design.....	32,500	32,500		32,500	-
Library repairs.....	10,000	10,000		10,000	-
Senior center equipment.....	30,000	30,000		30,000	-
Senior center association study.....	8,750		8,750	8,750	-
Lions club park.....	517,000	520,000		520,000	3,000
Open space purchase.....	3,143,855	3,256,855		3,256,855	113,000
Community center.....	7,850,440	7,765,000	85,440	7,850,440	-
Community center walking track.....	277,618	152,000	98,000	250,000	(27,618)
Community center equipment.....	169,400	125,000	44,400	169,400	-

(Continued)

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

	PROJECT APPROPRIATION	PRIOR YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT APPROPRIATION
Skate park.....	\$ 40,000	\$ 40,000	\$	\$ 40,000	\$ -
Community center air conditioning.....	200,000			-	(200,000)
Park improvements.....	168,000	168,000		168,000	-
Playground resurfacing.....	32,000	32,000		32,000	-
Southeast park improvement.....	154,000	84,000		84,000	(70,000)
Southeast Park Playscape.....	85,500	91,168		91,168	5,668
Wmto river greenway.....	123,880	34,760	98,880	133,640	9,760
Commonfields trail improvements.....	15,340	3,070		3,070	(12,270)
Schoolhouse brook park improvements.....	10,000	10,000		10,000	-
New wells - schools.....	1,100,000	235,730	574,737	810,467	(289,533)
Deferred maintenance projects.....	499,936	469,936	40,000	509,936	10,000
Elementary school shelving.....	12,775	12,800	(25)	12,775	-
MMS auditorium renovations.....	158,257	150,000	8,257	158,257	-
MMS gym partition repair.....	30,000	30,000		30,000	-
School building committee.....	160,000	10,000		10,000	(150,000)
Maintenance building addition.....	5,000	5,000		5,000	-
MMS lavatory fixtures.....	5,000	5,000		5,000	-
MMS heating alterations.....	3,800,000		134,681	134,681	(3,665,319)
MMS asbestos removal.....	65,000		44,559	44,559	(20,441)
MMS carpet replacement.....	25,000		26,809	26,809	1,809
Roof replacement.....	147,900	122,900	25,000	147,900	-
Technology upgrade.....	71,570	100,000	(28,430)	71,570	-
Schools cleaning equipment.....	36,000	36,000		36,000	-
TOTAL.....	\$ 29,496,286	\$ 21,240,064	\$ 1,943,936	\$ 23,184,000	\$ (6,312,286)

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL PROJECTS FUND
SCHEDULE OF CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

PROJECT APPROPRIATION	PRIOR YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CURRENT YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES	VARIANCE WITH PROJECT APPROPRIATION
Town hall additional parking.....	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Landscape public buildings.....	10,000			10,000
Community center architectural study.....	21,800	21,800	21,800	-
Town hall modifications.....	35,000	5,660	31,884	(2,544)
Reroof old town hall.....	16,000	16,000	16,000	-
Pool cars 2006/2007.....	40,000	36,996	36,996	3,004
Mobile Compact Shelving.....	65,584		64,350	1,234
Water supply study.....	60,000	57,756	57,756	2,244
Plan of conservation and development.....	13,597	13,597	13,597	-
Traffic consultant.....	33,480	33,480	33,480	-
Strategic Planning Study.....	40,000		97,084	(57,084)
Ventilation/exhaust system.....	6,210	6,210	6,210	-
Replace engine 107/117.....	752,230	753,652	753,652	(1,422)
Refurbish engine ET207.....	40,000	24,622	24,622	15,378
Police cruiser 2006/2007.....				-
Fire Chief vehicle.....	34,947	34,947	34,947	-
Rescue vehicle 2006/2007.....	190,000	400	400	189,600
Large diameter fire hose.....	10,000		1,150	8,850
SCBA equipment upgrade.....	59,800	59,800	59,800	-
State police radio.....	5,000	3,677	3,677	1,323
SCBA Equipment.....	194,740		140,090	54,650
Vehicle key boxes.....	7,500	559	559	6,941
Fire ponds.....	15,500	8,932	3,202	12,134
Tree replacement.....	17,500	4,674	222	4,896
Town garage furnaces.....	11,576	11,576	11,576	-
Small bridges and culverts.....	254,084	205,796	405	206,201
Large bridge maintenance.....	1,877,286	319,636	65,324	384,960
Stone mill bridge.....	146,350	31,113	15,486	46,599
Town walkways.....	378,000	191,206	37,380	228,586
Laurel lane bridge.....	175,600	58,949	78,099	137,048
Road drainage.....	320,311	278,825	11,137	289,962
Birch road T.E.P.....	870,450	874,954		874,954
Guard rails.....	29,197	23,362	3,919	27,281
Mansfield center T.E.P.....	355,577	355,577		355,577
Maple road reconstruction.....	91,567	91,567		91,567
Road resurfacing.....	1,390,677	1,149,085	242,222	1,391,307
Clover Mill Road reclaim.....	144,200	185,675		185,675
Separatist Road bikeway.....	602,539	602,539		602,539
Large dump truck 2005/2006.....	105,676	105,676		105,676
Garage service truck.....	54,642	54,642		54,642
Pickup truck 2006/2007.....	25,000		24,284	24,285
Snowplows.....	4,000		3,754	3,755
Vac-all body replacement.....	8,855	8,855		8,855
Engineering CAD upgrades.....	123,500	95,247	4,070	99,317
Mapping workstation/software.....	120,000	120,000		120,000
Vehicle AVL system.....	19,050	19,050		19,050
New town aerial photos.....	33,240	33,240		33,240
Storrs center area improvement.....	475,000	174,389	38,483	212,872
MDP revital and enhancement.....	1,140,000	536,903	92,328	629,231
ADA compliance.....	26,300	3,847	12,675	16,522
MDD canopy design.....	32,500		21,200	21,200
Library repairs.....	10,000		9,024	9,024
Senior center equipment.....	30,000	27,813		27,813
Senior center association study.....	8,750	850	8,398	9,248
Lions club park.....	517,000	412,107	28,215	440,322
Open space purchase.....	3,143,855	2,624,089	2,466	2,626,555
Community center.....	7,850,440	7,850,441	(1)	7,850,440
Community center walking track.....	277,618	277,618		277,618
Community center equipment.....	169,400	122,343	45,398	167,741

(Continued)

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

	PROJECT APPROPRIATION	PRIOR YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CURRENT YEAR PROJECT EXPENDITURES AND OTHER FINANCING USES	CUMULATIVE PROJECT EXPENDITURES AND OTHER FINANCING USES	VARIANCE WITH PROJECT APPROPRIATION
Skate park.....	\$ 40,000	\$ 14,865	\$ 23,701	\$ 38,566	\$ 1,434
Community center air conditioning.....	200,000	284	168,870	169,154	30,846
Park improvements.....	168,000	159,156	578	159,734	8,266
Playground resurfacing.....	32,000	26,185	3,066	29,251	2,749
Southeast park improvement.....	154,000	14,647	3,483	18,130	135,870
Southeast park playscape.....	85,500	92,748		92,748	(7,248)
WMTC River greenway.....	123,880	7,892	140,598	148,490	(24,610)
Commonfields trail improvements.....	15,340	660		660	14,680
School house brook park improvements....	10,000				10,000
New wells - schools.....	1,100,000	811,283	283,336	1,094,619	5,381
Deferred maintenance projects.....	499,936	354,969	115,664	470,633	29,303
Elementary school shelving.....	12,775	12,775		12,775	-
MMS auditorium renovations.....	158,257	158,257		158,257	-
MMS gym partition repair.....	30,000	7,943	1,418	9,361	20,639
School building committee.....	160,000	4,299	124,556	128,855	31,145
Maintenance building addition.....	5,000	3,035		3,035	1,965
MMS lavatory fixtures.....	5,000	5,067		5,067	(67)
MMS heating alterations.....	3,800,000		192,700	192,700	3,607,300
MMS asbestos removal.....	65,000	1,055	43,504	44,559	20,441
MMS Carpet replacement.....	25,000		23,397	23,397	1,603
Roof replacement.....	147,900	118,209	20,131	138,340	9,560
Technology upgrade.....	71,570	71,570		71,570	-
School cleaning equipment.....	36,000	31,826	4,174	36,000	-
TOTAL.....	\$ 29,496,286	\$ 19,886,457	\$ 2,231,424	\$ 22,117,883	\$ 7,378,403

(Concluded)

Enterprise Funds

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

Sewer Operating Fund

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

Solid Waste Disposal Fund

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

TOWN OF MANSFIELD, CONNECTICUTSEWER OPERATING FUND
COMBINING BALANCE SHEET
BY CUSTOMER
JUNE 30, 2008

	UCONN	WILLIMANTIC	ELIMINATIONS	TOTAL
<u>ASSETS</u>				
Current assets:				
Investments.....	\$	\$ 297,159	\$	\$ 297,159
Accounts receivable.....	22,240	75,066		97,306
Due from UConn.....		30,229	(30,229)	-
Total current assets.....	22,240	402,454	(30,229)	394,465
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....	3,000	63,298		66,298
Construction in progress.....	87,206			87,206
Pump station.....	118,303			118,303
Sewer distribution system.....	146,787	263,984		410,771
Total capital assets (net of accumulated depreciation).....	355,296	327,282	-	682,578
TOTAL ASSETS.....	377,536	729,736	(30,229)	1,077,043
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	22,370	41,048		63,418
Due to Willimantic.....	30,229		(30,229)	-
Total current liabilities.....	52,599	41,048	(30,229)	63,418
<u>NET ASSETS</u>				
Invested in capital assets.....	355,296	327,282		682,578
Unrestricted.....	(30,359)	361,406		331,047
TOTAL NET ASSETS.....	\$ 324,937	\$ 688,688	\$ -	\$ 1,013,625

TOWN OF MANSFIELD, CONNECTICUT

SEWER OPERATING FUND
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 BY CUSTOMER
 FOR THE YEAR ENDED JUNE 30, 2008

	UCONN	WILLIMANTIC	TOTAL
OPERATING REVENUES:			
Sewer charges.....	\$ 124,510	\$ 160,000	\$ 284,510
Other revenues.....		657	657
TOTAL OPERATING REVENUES.....	124,510	160,657	285,167
OPERATING EXPENSES:			
Sewer fees.....	111,210	65,956	177,166
Supplies and services.....	5,187	138,536	143,723
Depreciation.....	9,563	14,273	23,836
TOTAL OPERATING EXPENSES.....	125,960	218,765	344,725
CHANGE IN NET ASSETS.....	(1,450)	(58,108)	(59,558)
TOTAL NET ASSETS - JULY 1, 2007.....	326,387	746,796	1,073,183
TOTAL NET ASSETS - JUNE 30, 2008.....	\$ 324,937	\$ 688,688	\$ 1,013,625

TOWN OF MANSFIELD, CONNECTICUT

SEWER OPERATING FUND
 SCHEDULE OF SEWER USER CHARGES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	CURRENT LEVY	AMOUNT COLLECTIBLE	COLLECTIONS			BALANCE JUNE 30, 2008
				PRINCIPAL	INTEREST AND LIENS	TOTAL	
SEWER USER CHARGES:							
Willimantic.....	\$ 53,467	\$ 160,000	\$ 213,467	\$ 137,521	\$ 657	\$ 138,178	\$ 75,946
UCONN.....	16,980	124,510	141,490	119,250		119,250	22,240
TOTAL.....	<u>\$ 70,447</u>	<u>\$ 284,510</u>	<u>\$ 354,957</u>	<u>\$ 256,771</u>	<u>\$ 657</u>	<u>\$ 257,428</u>	98,186
					Less allowance for uncollectibles		<u>880</u>
					Net Sewer user charges receivable		<u>\$ 97,306</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

Capital Nonrecurring Fund

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

Educational Grants Fund

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

Recreation Program Fund

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

Other Operating Funds

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

School Cafeteria Fund

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

Town Aid Road Fund

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

Small Cities Fund

This fund was established to account for the activity of the Small Cities federal grant.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Debt Service Fund

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

Permanent Funds

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

Cemetery Fund

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

Local School Fund

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

TOWN OF MANSFIELD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	SPECIAL REVENUE FUNDS								
	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD FUND	SMALL CITIES FUND		TOTAL
<u>ASSETS</u>									
Cash.....	\$	\$	\$ 600	\$	\$	\$	\$	\$	\$ 600
Investments.....		35,996	130,930	351,757	70,327	77,393			666,403
Receivables:									
Sewer assessments.....	13,300								13,300
Intergovernmental.....		5,848		10,752	28,229	9,019	9,499		63,347
Other.....			3,772	2,665					6,437
Other assets.....					32,872				32,872
TOTAL ASSETS.....	\$ 13,300	\$ 41,844	\$ 135,302	\$ 365,174	\$ 131,428	\$ 86,412	\$ 9,499		\$ 782,959
<u>LIABILITIES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts and other payables.....	\$	\$ 22,733	\$ 15,032	\$ 32,636	\$ 257	\$ 9,148	\$	\$	\$ 79,806
Due to other funds.....	35,909		6,683		8,689				51,281
Deferred and unearned revenue.....	13,300	18,462	127,435	29,262					188,459
TOTAL LIABILITIES.....	49,209	41,195	149,150	61,898	8,946	9,148	-		319,546
<u>FUND BALANCES:</u>									
Unreserved and undesignated.....	(35,909)	649	(13,848)	303,276	122,482	77,264	9,499		463,413
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 13,300	\$ 41,844	\$ 135,302	\$ 365,174	\$ 131,428	\$ 86,412	\$ 9,499		\$ 782,959

(Continued)

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

	<u>DEBT SERVICE FUND</u>	<u>PERMANENT FUNDS</u>			<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>DEBT SERVICE FUND</u>	<u>CEMETERY FUND</u>	<u>LOCAL SCHOOL FUND</u>	<u>TOTAL</u>	
<u>ASSETS</u>					
Cash.....	\$	\$	\$	\$ -	\$ 600
Investments.....				-	666,403
Restricted Investments.....		365,917	797	366,714	366,714
Receivables:					
Sewer assessments.....				-	13,300
Intergovernmental.....				-	63,347
Other.....				-	6,437
Other assets.....				-	32,872
TOTAL ASSETS.....	\$ -	\$ 365,917	\$ 797	\$ 366,714	\$ 1,149,673
<u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES:					
Accounts and other payables.....	\$	\$ 3,992	\$	\$ 3,992	\$ 83,798
Due to other funds.....	20,230			-	71,511
Deferred and unearned revenue.....				-	188,459
TOTAL LIABILITIES.....	20,230	3,992	-	3,992	343,768
FUND BALANCES:					
Reserved for perpetual care.....		360,725		360,725	360,725
Reserved for endowments.....		1,200	710	1,910	1,910
Total reserved.....	-	361,925	710	362,635	362,635
Unreserved and undesignated.....	(20,230)		87	87	443,270
TOTAL FUND BALANCES.....	(20,230)	361,925	797	362,722	805,905
TOTAL LIABILITIES AND FUND BALANCES.....	\$ -	\$ 365,917	\$ 797	\$ 366,714	\$ 1,149,673

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS							
	CAPITAL NONRECURRING FUND	EDUCATIONAL GRANTS FUND	RECREATION PROGRAM FUND	OTHER OPERATING FUNDS	SCHOOL CAFETERIA FUND	TOWN AID ROAD FUND	SMALL CITIES FUND	TOTAL
REVENUES:								
Intergovernmental.....	\$ 389,462	\$ 623,997	\$	\$ 163,894	\$ 190,536	\$ 213,282	\$ 9,499	\$ 1,590,670
Charges for services.....	304,284		1,831,600	245,910	657,663			3,039,457
Contributions.....			22,104	102,135				124,239
Other local revenues.....				55,648				55,648
TOTAL REVENUES.....	693,746	623,997	1,853,704	567,587	848,199	213,282	9,499	4,810,014
EXPENDITURES:								
Current:								
General government.....				3,739				3,739
Public safety.....				221,745				221,745
Public works.....						262,875		262,875
Community services.....			2,263,474	324,779				2,588,253
Community development.....	63,000							63,000
Townwide expenditures.....	50,000							50,000
Education.....		624,053		88,232	823,431			1,535,716
TOTAL EXPENDITURES.....	113,000	624,053	2,263,474	638,495	823,431	262,875	-	4,725,328
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	580,746	(56)	(409,770)	(70,908)	24,768	(49,593)	9,499	84,686
OTHER FINANCING SOURCES (USES):								
Transfers in.....	644,000		497,458	77,500	20,000			1,238,958
Transfers out.....	(1,254,838)				(2,500)	(15,000)		(1,272,338)
NET OTHER FINANCING SOURCES (USES).....	(610,838)	-	497,458	77,500	17,500	(15,000)	-	(33,380)
NET CHANGE IN FUND BALANCES.....	(30,092)	(56)	87,688	6,592	42,268	(64,593)	9,499	51,306
FUND BALANCES - JULY 1, 2007.....	(5,817)	705	(101,536)	296,684	80,214	141,857	-	412,107
FUND BALANCES - JUNE 30, 2008.....	\$ (35,909)	\$ 649	\$ (13,848)	\$ 303,276	\$ 122,482	\$ 77,264	\$ 9,499	\$ 463,413

(Continued)

SCHEDULE 13
(2 of 2)

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

	DEBT SERVICE FUND	PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE FUND	CEMETERY FUND	LOCAL SCHOOL FUND	TOTAL	
REVENUES:					
Intergovernmental.....	\$ 180,794	\$ -	\$ 28	\$ -	\$ 1,771,464
Investment income.....		20,222		20,250	20,250
Charges for services.....		7,050		7,050	3,046,507
Contributions.....		15,024		15,024	139,263
Other local revenues.....				-	55,648
TOTAL REVENUES.....	180,794	42,296	28	42,324	5,033,132
EXPENDITURES:					
Current:					
General government.....	5,001			-	8,740
Public safety.....				-	221,745
Public works.....				-	262,875
Community services.....		26,063		26,063	2,614,316
Community development.....				-	63,000
Townwide expenditures.....				-	50,000
Education.....				-	1,535,716
Debt service:					
Principal.....	660,000			-	660,000
Interest.....	136,082			-	136,082
TOTAL EXPENDITURES.....	801,083	26,063	-	26,063	5,552,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(620,289)	16,233	28	16,261	(519,342)
OTHER FINANCING SOURCES (USES):					
Transfers in.....	600,000			-	1,838,958
Transfers out.....				-	(1,272,338)
NET OTHER FINANCING SOURCES (USES).....	600,000	-	-	-	566,620
NET CHANGE IN FUND BALANCES.....	(20,289)	16,233	28	16,261	47,278
FUND BALANCES - JULY 1, 2007.....	59	345,692	769	346,461	758,627
FUND BALANCES - JUNE 30, 2008.....	\$ (20,230)	\$ 361,925	\$ 797	\$ 362,722	\$ 805,905

(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

CAPITAL NONRECURRING FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Intergovernmental.....	\$ 1,004,952	\$ 1,004,952	\$ 389,462	\$ (615,490)
Investment income.....	100,000	100,000		(100,000)
Charges for services.....	248,000	248,000	304,284	56,284
TOTAL REVENUES.....	1,352,952	1,352,952	693,746	(659,206)
EXPENDITURES:				
Community development.....	63,000	63,000	63,000	-
Townwide expenditures.....	50,000	50,000	50,000	-
TOTAL EXPENDITURES.....	113,000	113,000	113,000	-
EXCESS OF REVENUES OVER EXPENDITURES.....	1,239,952	1,239,952	580,746	(659,206)
OTHER FINANCING SOURCES (USES):				
Transfers in.....		644,000	644,000	-
Transfers out.....	(1,239,419)	(1,246,638)	(1,254,838)	(8,200)
NET OTHER FINANCING SOURCES (USES).....	(1,239,419)	(602,638)	(610,838)	(8,200)
NET CHANGE IN FUND BALANCE.....	\$ 533	\$ 637,314	(30,092)	\$ (667,406)
FUND BALANCE - JULY 1, 2007.....			(5,817)	
FUND BALANCE - JUNE 30, 2008.....			<u>\$ (35,909)</u>	

TOWN OF MANSFIELD, CONNECTICUT

OTHER OPERATING FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	REVENUES AND OTHER FINANCING SOURCES					EXPENDITURES AND OTHER FINANCING USES					FUND BALANCES JULY 1, 2007	FUND BALANCES JUNE 30, 2008	
	INTER-GOVERNMENTAL	CHARGES FOR SERVICES	CONTRIBUTIONS	OTHER LOCAL REVENUES	TRANSFERS IN (OUT)	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	COMMUNITY SERVICES	EDUCATION			TOTAL
Adventure learning.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	(2)	(2)
Ambulance services.....		115,193				115,193			115,193		115,193		-
America-the-Beautiful grant.....						-		3,500		3,500	3,500		-
Beautification committee.....				492		492						596	1,088
The blueberry fund.....				2,272		2,272		2,072		2,072	40		240
BSA/Mt. Hope park program.....						-							-
Charter communications - library.....						-		587		587	1,038		451
Children's grief group.....			168			168		346		346	543		365
Community center accessibility.....						-		4,463		4,463	4,500		37
Community center teen center.....						-					1,725		1,725
Community conversation.....			1,200			1,200		189		189	166		1,177
CT association gifted grant.....						-					461		461
CT clean energy grant.....						-	901			901	2,501		1,600
CT Humane Society Assistance.....						-		130		130	130		-
Daycare nongrant.....				1,973		1,973		2,455		2,455	751		269
DEMHS School security grant.....						-		83,345		83,345			(83,345)
Dorothy Goodwin program.....			10,000			10,000			1,065	1,065	3,235		12,170
Eagleville preserve.....	1,131					1,131		2,415		2,415	583		(701)
Ebay sales.....		45				45					11		56
Elder/disab resp trnsp grant.....	32,071		890			32,961		40,747		40,747	(10,405)		(18,191)
EMS equipment grant.....	1,597		1,692			3,289							-
Expanded DUI enforcement program.....	32,143					32,143		48,886		48,886	16,743		-
Family literacy.....				50		50			300	300	278		28
Festival of lights.....						-							-
Financial reporting model 34.....						-					28,110		28,110
Firefighters' pension.....						-							-
Flamingos this.....						-							-
Fred Cazel garden.....						-					211		211
Friends of the library.....			27,765			27,765			9,301	9,301	44,123		62,587
General services special needs.....			5,530			5,530		6,012		6,012	7,510		7,028
Goodwin greenhouse fund.....						-		67		67	272		205
Graustein discovery grant.....				13,126		13,126		28,335		28,335	(6,397)		(21,606)
Graustein incentive grant.....				3,646		3,646		598		598	(172)		2,876
Historic document preservation.....		4,472				4,472							4,472
Holiday DUI enforcement.....	6,456					6,456		12,231		12,231	5,775		-
Homeland security grant.....	10,752					10,752		10,752		10,752			-
Juniper Hill fire assistance.....						-					6,716		6,716
Land protection program.....			6,708			6,708					11,079		17,787
Liberty bank extended kindergarten program....						-					(1,072)		(1,072)
Liberty bank program.....						-					(4,383)		(4,383)
LSTA program for older adults.....						-							-
LSTA long-range planning grant.....						-							-
Maintenance-sale of property.....				3,708		3,708	2,838			2,838	267		1,137
Mansfield advocates for children.....			150			150		263		263	124		11
Mansfield bike tour.....		1,150	1,475			2,625		3,598		3,598	1,163		190
Mansfield challenge - summer.....			200		10,500	10,700		19,239		19,239	1,119		(7,420)
Mansfield school readiness council.....						-					165		165
Mansfield summer school program.....					5,000	5,000			6,542	6,542	4,711		3,169
MDP festival on the green.....				17,271		17,271		19,832		19,832	10,206		7,645
Mount Hope park.....	1,524					1,524		610		610	777		1,691
National science foundation grant.....						-							-

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

OTHER OPERATING FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	REVENUES AND OTHER FINANCING SOURCES					EXPENDITURES AND OTHER FINANCING USES					FUND BALANCES JULY 1, 2007	FUND BALANCES JUNE 30, 2008	
	INTER-GOVERNMENTAL	CHARGES FOR SERVICES	CONTRIBUTIONS	OTHER LOCAL REVENUES	TRANSFERS IN	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	COMMUNITY SERVICES	EDUCATION			TOTAL
NECASA academic progress.....	\$	\$	\$	\$	\$	\$ -	\$	\$	\$	\$	\$ -	\$	\$ -
NECASA parent education.....				1,067		1,067				81	81	388	1,374
NECASA peer outreach.....				1,550		1,550				1,280	1,280	87	357
NECASA safe graduation.....						-						308	308
NESGFOA Conference 2006.....						-						-	-
Neuter assist/education fund.....			506			506			70	70	150	586	586
Nuclear safety emergency.....		431				431					(431)	-	-
Oak grove school.....	17,045				5,000	22,045			18,877	18,877	(928)	2,240	2,240
Old Spring Hill.....	3,888					3,888			5,197	5,197	(52)	(1,361)	(1,361)
PAWS substance abuse prevention.....						-					15	15	15
Playscape fund.....			13,666			13,666			21,535	21,535	2,000	(5,869)	(5,869)
Police - underage drinking program.....	20,738		500			21,238		48,356		48,356	27,602	484	484
Preschool tuition.....						-					51,593	51,593	51,593
Property revaluation.....			7,250		25,000	32,250					-	32,250	32,250
Rec. program scholarship fund.....				246		246					2,383	2,629	2,629
Recreation equipment fund.....						-					-	-	-
Restitution fees.....		47				47					611	658	658
Safe graduation.....						-					2,200	2,200	2,200
School use fund.....				10,428		10,428				2,229	1,221	9,420	9,420
Senior center extended hours grant.....						-				774	(774)	(774)	(774)
Senior programs.....		16,421	9,000		5,000	30,421			25,091	25,091	3,569	8,899	8,899
Skate park.....			10,000			10,000					-	10,000	10,000
Special education tuition - other schools.....	36,118	76,160				112,278					-	116,538	228,816
Speed enforcement highway safety.....						-		18,175			18,175	18,175	18,175
Speed radar display sign.....						-					-	-	-
Suzuki.....			16,505		27,000	43,505				45,404	45,404	(1,899)	(1,899)
Town manager retirement dinner.....						-					(604)	(604)	(604)
Town manager search.....						-					-	-	-
TVCCA senior nutrition.....				2,470		2,470				2,590	860	740	740
VNA east programs.....						-				6,805	(5,539)	(12,344)	(12,344)
Wellness center program.....		12,868		212		13,080			13,430	13,430	5,336	4,986	4,986
Year 2004 property revaluation.....		5,090				5,090					(65,030)	(59,940)	(59,940)
Youth leadership grant.....						-				493	739	246	246
Youth services special needs.....			531			531			1,296	1,296	2,084	1,319	1,319
TOTAL.....	\$ 163,894	\$ 245,910	\$ 102,135	\$ 55,648	\$ 77,500	\$ 645,087	\$ 3,739	\$ 221,745	\$ 324,779	\$ 88,232	\$ 638,495	\$ 296,684	\$ 303,276

(Concluded)

Internal Service Funds

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

Health Insurance Fund

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

Workers' Compensation Insurance Fund

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

Management Services Fund

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

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2008

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
<u>ASSETS</u>				
Current assets:				
Investments.....	\$ 1,033,983	\$ 33,914	\$	\$ 1,067,897
Accounts receivable.....	142,950		8,195	151,145
Due from other funds.....	19,088			19,088
Other.....			30,400	30,400
Total current assets.....	1,196,021	33,914	38,595	1,268,530
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land.....			145,649	145,649
Land improvements.....			220,762	220,762
Buildings.....			126,506	126,506
Office equipment.....			925,945	925,945
Total noncurrent assets.....	-	-	1,418,862	1,418,862
TOTAL ASSETS.....	1,196,021	33,914	1,457,457	2,687,392
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	1,250		178,306	179,556
Accrued claims payable.....	453,478			453,478
Due to other funds.....	386,747		186,309	573,056
TOTAL LIABILITIES.....	841,475		364,615	1,206,090
<u>NET ASSETS</u>				
Invested in capital assets.....			1,418,862	1,418,862
Unrestricted.....	354,546	33,914	(326,020)	62,440
TOTAL NET ASSETS.....	\$ 354,546	\$ 33,914	\$ 1,092,842	\$ 1,481,302

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
OPERATING REVENUES:				
Premiums.....	\$ 6,086,299	\$ 421,310	\$	\$ 6,507,609
Charges for services.....			2,743,597	2,743,597
Rental income.....			187,915	187,915
Other.....			63,198	63,198
TOTAL OPERATING REVENUES.....	6,086,299	421,310	2,994,710	9,502,319
OPERATING EXPENSES:				
Wages and fringe benefits.....	84,309		304,161	388,470
Administration.....	643,197			643,197
Medical claims.....	5,498,430			5,498,430
Workers' compensation.....		385,800		385,800
Repairs & maintenance.....			838,836	838,836
Consultants.....	45,134			45,134
Supplies, materials & rentals.....	121,325		182,228	303,553
Software & related communication costs.....	10,000		449,536	459,536
Utilities.....			1,675,917	1,675,917
Depreciation.....			184,908	184,908
TOTAL OPERATING EXPENSES.....	6,402,395	385,800	3,635,586	10,423,781
OPERATING INCOME (LOSS).....	(316,096)	35,510	(640,876)	(921,462)
NONOPERATING REVENUES:				
Investment income.....	38,556			38,556
INCOME (LOSS) BEFORE TRANSFERS.....	(277,540)	35,510	(640,876)	(882,906)
TRANSFERS IN.....			200,000	200,000
CHANGES IN NET ASSETS.....	(277,540)	35,510	(440,876)	(682,906)
TOTAL NET ASSETS - JULY 1, 2007.....	632,086	(1,596)	1,533,718	2,164,208
TOTAL NET ASSETS - JUNE 30, 2008.....	\$ 354,546	\$ 33,914	\$ 1,092,842	\$ 1,481,302

TOWN OF MANSFIELD, CONNECTICUT

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	MANAGEMENT SERVICES	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$	\$	\$ 2,804,287	\$ 2,804,287
Premiums received.....	6,084,955	421,310		6,506,265
Payments to vendors.....	(507,424)	(387,396)	(2,630,074)	(3,524,894)
Payments for claims.....	(5,571,242)			(5,571,242)
Payments to employees.....	(84,309)		(304,161)	(388,470)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(78,020)	33,914	(129,948)	(174,054)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net transfers from other funds.....			200,000	200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....			(369,409)	(369,409)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Income from investments.....	38,556			38,556
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(39,464)	33,914	(299,357)	(304,907)
CASH AND CASH EQUIVALENTS - JULY 1, 2007.....	1,073,447		299,357	1,372,804
CASH AND CASH EQUIVALENTS - JUNE 30, 2008.....	\$ 1,033,983	\$ 33,914	\$ -	\$ 1,067,897
RECONCILIATION TO BALANCE SHEET CASH:				
Cash and cash equivalents per above.....	\$ 1,033,983	\$ 33,914	\$ -	\$ 1,067,897
Cash and cash equivalents reported as investments.....	(1,033,983)	(33,914)		(1,067,897)
BALANCE SHEET CASH.....	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (316,096)	\$ 35,510	\$ (640,876)	\$ (921,462)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation.....			184,908	184,908
(Increase) decrease in:				
Accounts receivable.....	(1,344)		(8,195)	(9,539)
Due from other funds.....	(65)			(65)
Other.....			(30,400)	(30,400)
Increase (decrease) in:				
Accounts payable.....	1,250		178,306	179,556
Accrued claims payable.....	(72,812)			(72,812)
Due to other funds.....	311,047	(1,596)	186,309	495,760
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (78,020)	\$ 33,914	\$ (129,948)	\$ (174,054)

Fiduciary Funds

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

Postemployment Healthcare Trust Fund

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

AGENCY FUNDS

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

Student Activities Fund

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

Celeron Square, Eastbrook Heights, Courtyard Associates, Ledgebrook, Holinko Estates, Freedom Green, Valley View, Block Property and ING US Students No. 8 LLC Sewer Funds

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

Dependent Care Fund

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

Uninsured Medical Costs Fund

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

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

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

Mansfield Downtown Partnership

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

Performance Bonds

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

TOWN OF MANSFIELD, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
ASSETS				
CASH:				
Student activities fund.....	\$ 48,939	\$ 200,891	\$ 198,532	\$ 51,298
INVESTMENTS:				
Celeron square sewer fund.....	114,680	8,521		123,201
Eastbrook heights sewer fund.....	117,288	8,170		125,458
Courtyard associates sewer fund.....	59,121	4,007		63,128
Ledgebrook sewer fund.....	71,773	5,552		77,325
Holinko estates sewer fund.....	22,230	1,706		23,936
Freedom green sewer fund.....	20,153	5,310		25,463
Valley view sewer fund.....	4,053	990		5,043
ING US students No. 8 LLC sewer.....	44,596	20,528		65,124
Dependent care fund.....	9,024	48,455	46,638	10,841
Uninsured medical costs fund.....	5,858	70,429	67,837	8,450
Mid-Neroc operating fund.....	117,188	63,225	51,808	128,605
Mansfield downtown partnership.....	21,460	313,791	221,793	113,458
TOTAL INVESTMENTS.....	607,424	550,684	388,076	770,032
ACCOUNTS RECEIVABLE:				
Block property sewer fund.....		1,479		1,479
Dependent care fund.....	50			50
Uninsured medical costs fund.....	9,067	69,744	67,988	10,823
Mid-Neroc operating fund.....	16,199		16,199	
Mansfield downtown partnership.....	900			900
TOTAL ACCOUNTS RECEIVABLE.....	26,216	71,223	84,187	13,252
DUE FROM OTHER FUNDS:				
Performance bonds.....	458,490	11,830	132,110	338,210
TOTAL ASSETS.....	\$ 1,141,069	\$ 834,628	\$ 802,905	\$ 1,172,792
LIABILITIES				
ACCOUNTS PAYABLE:				
Student activities fund.....	\$ 48,939	\$ 200,891	\$ 198,532	\$ 51,298
Performance bonds.....	458,490	11,830	132,110	338,210
Celeron square sewer fund.....	114,680	8,521		123,201
Eastbrook heights sewer fund.....	117,288	8,170		125,458
Courtyard associates sewer fund.....	59,121	4,007		63,128
Ledgebrook sewer fund.....	71,773	5,552		77,325
Holinko estates sewer fund.....	22,230	1,706		23,936
Freedom green sewer fund.....	20,153	5,310		25,463
Valley view sewer fund.....	4,053	990		5,043
Block property sewer fund.....		1,479		1,479
ING US students No. 8 LLC sewer.....	44,596	20,528		65,124
Dependent care fund.....	9,074	48,455	46,638	10,891
Uninsured medical costs fund.....	14,925	140,173	135,825	19,273
Mid-Neroc operating fund.....	133,387	63,225	68,007	128,605
Mansfield downtown partnership.....	22,007	313,791	221,440	114,358
TOTAL ACCOUNTS PAYABLE.....	1,140,716	834,628	802,552	1,172,792
DUE TO OTHER FUNDS:				
Mansfield downtown partnership.....	353		353	-
TOTAL LIABILITIES.....	\$ 1,141,069	\$ 834,628	\$ 802,905	\$ 1,172,792

Component Unit

TOWN OF MANSFIELD, CONNECTICUT

COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2008

MANSFIELD
DISCOVERY
DEPOT, INC.

ASSETS

Cash.....	\$	200
Investments.....		<u>341,245</u>
TOTAL ASSETS.....	\$	<u><u>341,445</u></u>

LIABILITIES

LIABILITIES:		
Accounts and other payables.....	\$	479
Accrued liabilities.....		<u>13,248</u>
TOTAL LIABILITIES.....		<u>13,727</u>

FUND BALANCE

Unreserved and undesignated.....		<u>327,718</u>
TOTAL LIABILITIES AND FUND BALANCE.....	\$	<u><u>341,445</u></u>

TOWN OF MANSFIELD, CONNECTICUT

COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

	MANSFIELD DISCOVERY DEPOT, INC.
REVENUES:	
Intergovernmental.....	\$ 333,961
Charges for services.....	889,511
TOTAL REVENUES.....	<u>1,223,472</u>
EXPENDITURES:	
Personnel services.....	1,049,102
Repairs and maintenance.....	24,889
Contracted services.....	10,447
Program supplies.....	52,037
Other supplies.....	2,802
Utilities.....	32,614
Insurance.....	3,850
TOTAL EXPENDITURES.....	<u>1,175,741</u>
NET CHANGE IN NET ASSETS.....	47,731
FUND BALANCE - JULY 1, 2007.....	<u>279,987</u>
FUND BALANCE - JUNE 30, 2008.....	<u><u>\$ 327,718</u></u>

Statistical Tables

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 8)

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

DEBT CAPACITY (TABLES 9 - 12)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 13 - 15)

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

OPERATING INFORMATION (TABLES 16 - 17)

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

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

TABLE 1

TOWN OF MANSFIELD, CONNECTICUT

**NET ASSETS BY COMPONENT
LAST SIX YEARS
(UNAUDITED)**

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
Governmental activities:						
Invested in capital assets, net of related debt.....	\$ 66,557,840	\$ 64,693,077	\$ 63,774,998	\$ 62,880,466	\$ 61,779,841	\$ 59,852,708
Restricted.....	438,879	639,171	516,156	3,612,577	840,920	2,809,552
Unrestricted.....	1,695,208	2,797,281	4,123,470	476,846	2,650,673	4,324,326
Total Governmental activities net assets.....	68,691,927	68,129,529	68,414,624	66,969,889	65,271,434	66,986,586
Business-type activities:						
Invested in capital assets, net of related debt.....	803,063	832,081	817,198	871,322	925,951	851,464
Unrestricted.....	360,421	336,380	336,432	301,106	416,974	473,154
Total Business-type activities net assets.....	1,163,484	1,168,461	1,153,630	1,172,428	1,342,925	1,324,618
Total Net Assets:						
Invested in capital assets, net of related debt.....	67,360,903	65,525,158	64,592,196	63,751,788	62,705,792	60,704,172
Restricted.....	438,879	639,171	516,156	3,612,577	840,920	2,809,552
Unrestricted.....	2,055,629	3,133,661	4,459,902	777,952	3,067,647	4,797,480
Total Net Assets.....	\$ 69,855,411	\$ 69,297,990	\$ 69,568,254	\$ 68,142,317	\$ 66,614,359	\$ 68,311,204

NOTE: Less than ten years of data due to the implementation of GASB 34.

TABLE 2
(1 of 2)

TOWN OF MANSFIELD, CONNECTICUT

**CHANGES IN NET ASSETS
LAST SIX YEARS
(UNAUDITED)**

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
EXPENSES:						
Governmental activities:						
General government.....	\$ 2,370,172	\$ 2,457,128	\$ 2,536,868	\$ 2,538,107	\$ 2,417,854	\$ 2,626,803
Public safety.....	3,508,378	3,042,626	2,838,970	2,775,110	2,678,808	2,670,346
Public works.....	5,021,008	4,998,186	4,335,002	3,698,504	3,680,017	3,950,774
Community services.....	5,085,269	4,719,147	4,465,428	4,886,361	4,412,130	2,681,113
Community development.....	520,446	558,720	454,273	328,078	303,910	290,611
Education.....	37,386,543	30,724,185	29,003,912	26,431,915	26,897,222	24,757,645
Interest expense.....	156,920	197,044	236,932	282,086	276,633	413,621
Total Governmental activities expenses.....	54,048,736	46,697,036	43,871,385	40,940,161	40,666,574	37,390,913
Business-type activities:						
Sewer Operating.....	344,725	213,732	162,587	153,202	152,480	166,831
Solid Waste Disposal.....	988,715	989,790	992,637	1,264,101	1,108,927	1,138,943
Total Business-type activities expenses.....	1,333,440	1,203,522	1,155,224	1,417,303	1,261,407	1,305,774
TOTAL EXPENSES.....	55,382,176	47,900,558	45,026,609	42,357,464	41,927,981	38,696,687
PROGRAM REVENUES:						
Governmental activities:						
Charges for services:						
General government.....	476,038	490,052	461,599	503,446	389,686	341,010
Public safety.....	77,360	59,531	67,067	224,262	179,162	24,040
Public works.....	660,502	675,113	596,219	753,717	518,020	538,157
Community services.....	2,014,585	1,855,651	1,824,775	1,722,586	1,466,428	481,356
Community development.....	158,179	32,059	88,093	151,635	28,346	17,888
Education.....	734,329	676,530	702,052	710,322	595,847	627,731
Operating grants and contributions.....	16,670,202	11,415,580	11,352,684	10,706,110	10,954,571	10,803,991
Capital grants and contributions.....	2,694,887	1,025,360	844,541	1,185,813	400,318	1,226,399
Total Governmental activities program revenues.....	23,486,082	16,229,876	15,937,030	15,957,891	14,532,378	14,060,572

(Continued)

TABLE 2
(2 of 2)

TOWN OF MANSFIELD, CONNECTICUT

**CHANGES IN NET ASSETS
LAST SIX YEARS
(UNAUDITED)**

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
Business-type activities:						
Charges for services:						
Sewer Operating.....	\$ 284,510	\$ 196,000	\$ 190,000	\$ 178,000	\$ 178,000	\$ 178,000
Solid Waste Disposal.....	1,040,449	1,019,103	944,101	994,830	1,064,008	1,101,497
Operating grants and contributions.....				191,819	33,181	
Total Business-type activities program revenues.....	1,324,959	1,215,103	1,134,101	1,364,649	1,275,189	1,279,497
TOTAL PROGRAM REVENUES.....	24,811,041	17,444,979	17,071,131	17,322,540	15,807,567	15,340,069
NET (EXPENSE) REVENUE:						
Governmental activities.....	(30,562,654)	(30,467,160)	(27,934,355)	(24,982,270)	(26,134,196)	(23,330,341)
Business-type activities.....	(8,481)	11,581	(21,123)	(52,654)	13,782	(26,277)
TOTAL NET EXPENSE.....	(30,571,135)	(30,455,579)	(27,955,478)	(25,034,924)	(26,120,414)	(23,356,618)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:						
Governmental activities:						
General revenues:						
Property taxes.....	21,990,246	20,560,377	19,421,660	18,524,910	17,559,957	15,779,448
Grants and contributions not restricted to specific programs....	8,481,007	8,665,335	9,244,886	7,756,083	6,582,212	6,769,550
Investment income.....	525,748	772,761	571,794	312,972	176,649	291,935
Miscellaneous.....	128,051	183,592	140,750	86,760	100,226	37,318
Gain on sale of capital assets.....						3,031
Transfers.....						(10,000)
TOTAL GOVERNMENTAL ACTIVITIES.....	31,125,052	30,182,065	29,379,090	26,680,725	24,419,044	22,871,282
Business-type activities:						
Miscellaneous.....	3,504	3,250	2,325	2,157	4,525	5,544
Transfers.....						10,000
TOTAL BUSINESS-TYPE ACTIVITIES.....	3,504	3,250	2,325	2,157	4,525	15,544
TOTAL.....	31,128,556	30,185,315	29,381,415	26,682,882	24,423,569	22,886,826
CHANGE IN NET ASSETS:						
Governmental activities.....	562,398	(285,095)	1,444,735	1,698,455	(1,715,152)	(459,059)
Business-type activities.....	(4,977)	14,831	(18,798)	(50,497)	18,307	(10,733)
TOTAL.....	\$ 557,421	\$ (270,264)	\$ 1,425,937	\$ 1,647,958	\$ (1,696,845)	\$ (469,792)

NOTE: Less than ten years of data due to the implementation of GASB 34.

(Concluded)

TABLE 3

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

	FISCAL YEAR ENDED JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
GENERAL FUND:										
Reserved.....	\$ 157,377	\$ 126,765	\$ 71,936	\$ 88,601	\$ 97,429	\$ 164,300	\$ 64,998	\$ 205,274	\$ 190,748	\$ 172,369
Unreserved:										
Designated.....								400,000	500,000	1,353,980
Undesignated.....	1,830,202	1,769,124	1,661,693	1,568,102	1,016,080	995,185	1,291,159	1,232,955	1,674,178	1,757,484
Total unreserved.....	1,830,202	1,769,124	1,661,693	1,568,102	1,016,080	995,185	1,291,159	1,632,955	2,174,178	3,111,464
TOTAL GENERAL FUND.....	1,987,579	1,895,889	1,733,629	1,656,703	1,113,509	1,159,485	1,356,157	1,838,229	2,364,926	3,283,833
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved:										
Encumbrances.....				2,864,726						
Commitments.....	76,157	292,651	24,216	153,701	45,154	1,375,889	6,141,907		6,461	8,074
Debt Service.....		59	71,079	136,939	321,859	899,010	1,166,975	1,213,345		
Perpetual Care.....	360,725	344,492	346,991	366,679	374,568	368,443	480,567	448,090	428,972	400,317
Endowments.....	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910
Unreserved reported in:										
Special Revenue funds.....	509,182	498,856	783,282	990,791	999,486	738,321	972,842	698,368	496,025	1,012,211
Capital funds.....	898,703	966,447	1,357,175	(1,147,188)	2,012,138	2,833,952	2,597,125	8,277,093	7,076,400	4,972,121
Debt Service.....	(400,107)	(440,456)	(55,199)	(56,518)	(45,562)				(319,877)	7,184
Permanent funds.....	87	59	24	21		(52)	(993)	85,026	130,858	138,295
TOTAL ALL OTHER GOVERNMENTAL FUNDS.....	1,446,657	1,664,018	2,529,478	3,311,061	3,709,553	6,217,473	11,360,333	10,723,832	7,820,749	6,540,112
GRAND TOTAL.....	\$ 3,434,236	\$ 3,559,907	\$ 4,263,107	\$ 4,967,764	\$ 4,823,062	\$ 7,376,958	\$ 12,716,490	\$ 12,562,061	\$ 10,185,675	\$ 9,823,945

TABLE 4

TOWN OF MANSFIELD, CONNECTICUT

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

	FISCAL YEAR ENDED JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
REVENUES:										
Property taxes.....	\$ 21,921,177	\$ 20,551,473	\$ 19,380,701	\$ 18,571,837	\$ 17,572,787	\$ 15,664,773	\$ 14,378,934	\$ 13,606,800	\$ 13,146,253	\$ 12,940,544
Intergovernmental.....	26,468,325	20,916,784	21,305,763	19,137,190	18,224,822	18,738,991	21,486,568	19,327,038	18,923,614	19,687,359
Investment income.....	487,192	700,844	534,578	297,757	132,779	257,971	427,067	952,471	855,128	838,511
Charges for services.....	4,004,829	3,853,672	3,700,284	3,981,026	3,069,647	2,029,073	2,118,079	1,912,199	1,824,974	
Net increase in fair value of investments.....				4,622	35,827	11,692	(22,692)	(72,424)	29,821	
Contributions.....	237,263	183,453	190,647	175,203	97,976	105,431				
Other.....	64,853	81,041	35,662	75,176	100,226	37,318	878,344	970,341	808,584	2,590,345
TOTAL REVENUES.....	53,183,639	46,287,267	45,147,635	42,242,811	39,234,064	36,845,249	39,266,300	36,696,425	35,588,374	36,056,759
EXPENDITURES:										
Current:										
General government.....	1,483,648	1,830,252	1,445,792	1,521,750	1,845,607	1,286,911	1,277,192	1,314,339	1,326,680	1,446,574
Public safety.....	2,959,562	2,561,450	2,423,765	2,357,210	2,254,756	2,151,905	2,005,992	1,878,690	1,786,303	1,721,669
Public works.....	3,169,271	2,896,753	2,678,305	2,351,884	2,161,940	2,220,348	2,218,145	2,174,298	2,058,451	2,194,974
Community services.....	4,081,152	3,804,230	3,637,669	3,756,881	3,743,304	2,245,672	3,018,442	2,663,224	2,673,048	2,610,796
Community development.....	450,656	462,318	399,712	243,000	263,668	246,660	210,350	220,923	198,440	193,341
Townwide expenditures.....	2,297,118	2,124,445	2,647,899	1,772,149	1,412,413	1,197,749	1,138,538	992,433	1,404,529	1,001,671
Education.....	35,562,697	29,991,931	29,086,170	26,478,820	25,252,840	23,942,177	23,399,844	22,123,989	20,539,342	19,280,465
Capital outlay.....	2,309,124	2,152,606	2,250,753	2,003,430	3,329,842	7,029,215	4,277,474	4,624,563	3,266,691	5,400,252
Debt service:										
Principal.....	660,000	805,000	830,000	980,000	1,065,000	950,000	865,000	880,689	710,689	741,689
Interest.....	136,082	176,482	216,239	261,507	309,970	398,975	447,352	392,723	479,003	582,869
TOTAL EXPENDITURES.....	53,109,310	46,805,467	45,616,304	41,726,631	41,639,340	41,669,612	38,858,329	37,265,871	34,443,176	35,174,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	74,329	(518,200)	(468,669)	516,180	(2,405,276)	(4,824,363)	407,971	(569,446)	1,145,198	882,459
OTHER FINANCING SOURCES (USES):										
Payment to refunded bond escrow agent.....					(4,155,124)					
Issuance of refunding bonds.....					4,255,000			2,500,000		2,300,000
Bond premium.....					13,504					
Sale of capital assets.....						10,000				
Transfers in.....	2,444,758	2,062,430	2,085,132	2,129,419	2,183,664	3,416,942	4,456,305	4,213,560	5,149,626	4,447,814
Transfers out.....	(2,644,758)	(2,247,430)	(2,321,120)	(2,500,897)	(2,445,664)	(3,602,942)	(4,656,305)	(4,413,560)	(5,309,626)	(4,447,814)
NET OTHER FINANCING SOURCES (USES).....	(200,000)	(185,000)	(235,988)	(371,478)	(148,620)	(176,000)	(200,000)	2,300,000	(160,000)	2,300,000
NET CHANGE IN FUND BALANCES.....	\$ (125,671)	\$ (703,200)	\$ (704,657)	\$ 144,702	\$ (2,553,896)	\$ (5,000,363)	\$ 207,971	\$ 1,730,554	\$ 985,198	\$ 3,182,459
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	1.60%	2.20%	2.40%	3.13%	3.59%	3.89%	3.80%	3.90%	3.82%	4.45%

TOWN OF MANSFIELD, CONNECTICUT

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

YEAR ENDED JUNE 30	GENERAL FUND MILL RATE	ADJUSTED TOTAL LEVY	CURRENT TAX COLLECTIONS AT JUNE 30,	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
1999	25.56	\$ 12,800,236	\$ 12,577,950	98.26%	#REF!	#REF!	#REF!	#REF!
2000	25.56	13,053,176	12,845,242	98.41%	#REF!	#REF!	#REF!	#REF!
2001	26.13	13,552,260	13,332,848	98.38%	219,182	13,552,030	100.00%	230
2002	26.35	14,333,193	14,136,410	98.63%	196,142	14,332,552	100.00%	641
2003	27.50	15,487,465	15,204,716	98.17%	280,020	15,484,736	99.98%	2,729
2004	29.94	17,404,974	17,140,287	98.48%	256,776	17,397,063	99.95%	7,911
2005	30.93	18,325,498	18,039,519	98.44%	259,438	18,298,957	99.86%	26,541
2006	22.01	19,182,873	18,918,210	98.62%	176,969	19,095,179	99.54%	87,694
2007	22.88	20,370,550	20,062,383	98.49%	152,411	20,214,794	99.24%	155,756
2008	23.87	21,769,741	21,492,953	98.73%	-	21,440,099	98.49%	329,642

Source: Town audit reports.

TOWN OF MANSFIELD, CONNECTICUT

TAXABLE GRAND LIST
LAST TEN YEARS
(UNAUDITED)

GRAND LIST AS OF OCTOBER 1, *	RESIDENTIAL REAL ESTATE PROPERTY	PERCENT	UTILITIES COMMERCIAL AND INDUSTRIAL REAL PROPERTY	PERCENT	ALL LAND	PERCENT	PERSONAL PROPERTY	PERCENT	MOTOR VEHICLE **	PERCENT	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST	TOTAL DIRECT RATE
1997	\$ 345,860,180	69%	\$ 74,042,470	15%	\$ 9,908,730	2%	\$ 18,064,828	4%	\$ 50,685,753	10%	\$ 498,561,961	\$ 2,840,947	\$ 495,721,014	25.56
1998	350,781,980	69%	74,462,330	15%	9,897,195	2%	18,734,640	4%	55,339,852	11%	509,215,997	3,330,471	505,885,526	25.56
1999	355,732,580	69%	74,608,010	14%	9,114,790	2%	18,961,001	4%	57,169,897	11%	515,586,278	3,359,497	512,226,781	26.13
2000	393,635,960	73%	62,007,250	11%	4,300,240	1%	19,819,353	4%	61,593,730	11%	541,356,533	3,609,393	537,747,140	26.35
2001	402,098,470	72%	67,035,210	12%	3,370,640	1%	23,498,820	4%	63,581,361	11%	559,584,501	3,937,436	555,647,065	27.50
2002	411,876,590	70%	79,082,060	13%	3,850,720	1%	28,549,730	5%	66,074,095	11%	589,433,195	3,696,830	585,736,365	29.94
2003	423,877,050	71%	68,463,490	11%	3,940,460	1%	30,133,670	5%	71,181,641	12%	597,596,311	3,522,073	594,074,238	30.93
2004	658,941,733	75%	106,028,890	12%	8,116,630	1%	32,199,575	4%	74,895,444	9%	880,182,272	5,186,612	874,995,660	22.01
2005	670,168,950	75%	107,835,200	12%	7,727,790	1%	33,853,075	4%	78,529,205	9%	898,114,220	5,844,410	892,269,810	22.88
2006	689,970,600	75%	108,312,710	12%	7,044,070	1%	35,057,720	4%	80,038,570	9%	920,423,670	6,232,636	914,191,034	23.87

* Total after changes by Board of Tax Review.

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

TOWN OF MANSFIELD, CONNECTICUT

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

AS OF OCTOBER 1,	REAL ESTATE ASSESSED VALUATION	REAL ESTATE ESTIMATED TRUE VALUE	MOTOR VEHICLES ASSESSED VALUATION	PERSONAL PROPERTY ASSESSED VALUATION	TOTAL MOTOR VEHICLES AND PERSONAL PROPERTY ASSESSED VALUATION	TOTAL MOTOR VEHICLES AND PERSONAL PROPERTY ESTIMATED TRUE VALUE	TOTAL GROSS ASSESSED VALUATION	TOTAL EXEMPTIONS	TOTAL NET ASSESSED GRAND LIST *	TOTAL ESTIMATED TRUE VALUE	RATIO ASSESSED VALUE TO TRUE VALUE TOTAL **
1997	\$ 429,809,680	\$ 596,957,890	\$ 50,685,753	\$ 18,066,528	\$ 68,752,281	\$ 98,217,544	\$ 498,561,961	\$ 2,840,947	\$ 495,721,014	\$ 695,175,434	71.3%
1998	435,141,505	604,362,830	55,339,852	18,734,640	74,074,492	105,820,700	509,215,997	3,330,471	505,885,526	710,183,530	71.2%
1999	439,455,380	618,951,239	57,169,897	18,961,001	76,130,898	108,758,425	515,586,278	3,359,497	512,226,781	727,709,664	70.4%
2000	459,943,450	620,496,157	61,593,730	19,819,353	81,413,083	116,304,404	541,356,533	3,609,393	537,747,140	736,800,561	73.0%
2001	472,504,320	672,909,028	63,581,361	23,498,820	87,080,181	124,400,258	559,584,501	3,937,436	555,647,065	797,309,286	69.7%
2002	494,809,370	702,629,305	66,074,095	28,549,730	94,623,825	135,176,892	589,433,195	3,696,830	585,736,365	837,806,197	69.9%
2003	496,281,000	708,972,857	71,181,641	30,133,670	101,315,311	144,736,159	597,596,311	3,522,073	594,074,238	853,709,016	69.6%
2004	773,087,253	1,104,410,361	74,895,444	32,199,575	107,095,019	152,992,884	880,182,272	5,186,612	874,995,660	1,257,403,245	69.6%
2005	785,731,940	1,122,474,200	78,529,205	33,853,075	112,382,280	218,561,263	898,114,220	5,844,410	892,269,810	1,341,035,463	66.5%
2006	805,327,380	1,337,753,123	80,038,570	35,057,720	115,096,290	164,423,271	920,423,670	6,232,636	914,191,034	1,502,176,394	60.9%

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

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

TABLE 8

TOWN OF MANSFIELD, CONNECTICUT

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

TAXPAYER	NATURE OF BUSINESS	GRAND LIST YEAR					
		2006			1997		
		ASSESSED VALUE	RANK	% OF TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	% OF TAXABLE GRAND LIST (1)
Connecticut Light & Power Co.	Public Utility	\$ 10,191,939	1	1.11%	\$ 5,182,437	2	1.05%
Mansfield-Eastbrook Dev Corp LLC	Eastbrook Mall	7,019,733	2	0.77%	10,052,640	1	2.03%
ING Students No 8, LLC	Apartments	6,625,762	3	0.72%			
Celeron Square Associates	Apartments	6,647,340	4	0.73%	4,677,330	4	0.94%
New Samaritan Corp	Nursing Home	5,578,516	5	0.61%	4,437,620	5	0.90%
Colonial BT, LLC	Apartments	5,141,430	6	0.56%	4,733,610	3	0.95%
Glen Ridge Cooperative	Housing Co-Op	5,930,460	7	0.65%	2,163,490	10	0.44%
Storrs Polo Run LTD Partnership	Apartments	4,122,370	8	0.45%			
Orchard Acres Property LLC	Apartments						
Hayes-Kaufman Mansfield Assoc.	Shopping Plaza	3,713,920	9	0.41%	3,315,510	7	0.67%
Jensen's Inc.	Mobile Home Park	2,897,834	10	0.32%			
Sanderson, Owen Mark	Apartments/Commercial				3,878,050	6	0.78%
Orchard Acres Assoc.	Renwood Condominiums				2,585,660	8	0.52%
Mansfield Retirement Community	Elderly Housing				2,235,240	9	0.45%
TOTAL		\$ 57,869,304		6.33%	\$ 43,261,587		8.73%

Source: Town Assessor Department.

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

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

YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
1999	\$ 8,346,376	1.20%	N/A	\$ 417
2000	7,410,688	1.04%	N/A	358
2001	8,805,000	1.21%	N/A	419
2002	7,715,000	1.05%	N/A	351
2003	6,540,000	0.82%	0.53%	276
2004	5,780,000	0.69%	0.63%	231
2005	4,800,000	0.56%	0.84%	190
2006	3,970,000	0.32%	N/A	154
2007	3,165,000	0.24%	N/A	123
2008	2,505,000	0.17%	N/A	97

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

N/A- Information is not available.

TABLE 10**TOWN OF MANSFIELD, CONNECTICUT**

COMPUTATION OF DIRECT AND OVERLAPPING INDEBTEDNESS
 JUNE 30, 2008
 (UNAUDITED)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO MANSFIELD	MANSFIELD SHARE OF DEBT
Town of Mansfield	\$ 2,505,000	100.00%	\$ 2,505,000
Regional School District No. 19	5,411,924 *	56.72%	<u>3,069,643</u>
Total direct and overlapping indebtedness			5,574,643
Less: School building grants			<u>(99,288)</u>
Net Direct and Overlapping Indebtedness			<u>\$ 5,475,355</u>

* Debt is net of school grants receivable of \$12,543,076.

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
 JUNE 30, 2008
 (UNAUDITED)

TOTAL TAX COLLECTIONS (including interest and lien fees) for the year ended June 30, 2008.....	\$ 21,779,270
REIMBURSEMENT FOR REVENUE LOSS: Tax relief for elderly freeze.....	<u>2,000</u>
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 21,781,270</u>

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base.....	\$ 49,007,858	\$	\$	\$	\$
4 1/2 times base.....		98,015,715			
3 3/4 times base.....			81,679,763		
3 1/4 times base.....				70,789,128	
3 times base.....					65,343,810
TOTAL DEBT LIMITATION.....	<u>49,007,858</u>	<u>98,015,715</u>	<u>81,679,763</u>	<u>70,789,128</u>	<u>65,343,810</u>
INDEBTEDNESS:					
Bonds payable.....	1,850,000	655,000			
Town portion of Regional School District No. 19 bonds payable - net.....		3,069,643			
School building grants.....		(99,288)			
NET INDEBTEDNESS (1).....	<u>1,850,000</u>	<u>3,625,355</u>	-	-	-
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....	<u>\$ 47,157,858</u>	<u>\$ 94,390,360</u>	<u>\$ 81,679,763</u>	<u>\$ 70,789,128</u>	<u>\$ 65,343,810</u>

(1) The total of the above net indebtedness amounts to: \$ 5,475,355

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 152,468,890

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

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
1999	\$ 178,544,300	\$ 12,922,603	\$ 165,621,697	7%
2000	576,439,313	11,877,517	564,561,796	2%
2001	227,317,399	11,168,534	216,148,865	5%
2002	241,266,097	10,287,911	230,978,186	4%
2003	259,529,509	9,347,631	250,181,878	4%
2004	292,271,303	8,689,284	283,582,019	3%
2005	307,915,285	7,511,401	300,403,884	2%
2006	322,399,327	6,808,645	315,590,682	2%
2007	341,560,809	6,143,040	335,417,769	2%
2008	364,836,274	5,475,355	359,360,919	2%

TABLE 13

TOWN OF MANSFIELD, CONNECTICUT

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	PERSONAL INCOME	(2) PER CAPITA INCOME	(2) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
1999	20,000 *	\$	\$ 27,500 (1)*	22.5 *	N/A	1,964	1.9%
2000	20,720 (3)		28,500 (1)*	22.5 *	N/A	2,004	1.3%
2001	21,000 *		29,500 (1)*	22 *	N/A	2,036	1.6%
2002	22,000 *		29,500 (1)*	22 *	N/A	2,048	2.1%
2003	23,700 *	34,861 (5)	29,000 (1)*	21.8 *	N/A	2,090	2.5%
2004	25,000 *	36,463 (5)	29,000 (1)*	21.6 *	N/A	2,031	3.4%
2005	25,200 *	40,254 (5)	30,000 (1)*	21.8 *	N/A	1,978	3.9%
2006	25,800 *		30,000 (1)*	21.8 *	N/A	1,996	3.8%
2007	25,700 *		30,000 (1)*	21.2 *	N/A	1,948	4.4%
2008	25,800 *		32,000 *	21.5 *	N/A	1,912	4.9%

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

Data Sources

(1) Mansfield Director of Planning

(2) Town and Region School Officials

(3) 2000 Census

(4) Connecticut Department of Labor

(5) <http://www.ctdol.state.ct.us/lmi/ces/nonfarm.htm>

TABLE 14

TOWN OF MANSFIELD, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2008		1999	
	EMPLOYEES	RANK	EMPLOYEES	RANK
University of Connecticut	4,555	1	N/A	1
Town of Mansfield	419	2	N/A	2
Bergin Correctional Institute	227	3	N/A	3
Regional School District #19	171	4	N/A	4
Natchaug Hospital, Inc.	<u>N/A</u>	5	<u>N/A</u>	5
TOTAL.....	<u><u>5,372</u></u>		<u><u>N/A</u></u>	

NOTE: Total employment for Town & Region 19 are based on the budget

Source for UConn is UConn Fact Sheet 2009 on www.uconn.edu/about/index.php

N/A - Information not available

Source for Bergin Correctional Institute is K. O'Keefe, Warden's Office

TABLE 15

TOWN OF MANSFIELD, CONNECTICUTFULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FULL - TIME EQUIVALENT EMPLOYEES AS OF JUNE 30				
	2008	2007	2006	2005	2004
GENERAL GOVERNMENT:					
Town Manager.....	4.0	4.0	4.0	4.0	4.0
Finance.....	17.0	16.4	16.4	16.4	16.4
Town Clerk.....	3.0	3.0	3.0	3.0	3.0
Registrars.....	0.6	2.0	2.0	2.0	2.0
PUBLIC SAFETY:					
POLICE					
Officers.....	10.4	10.4	10.4	9.3	10.7
Civilians.....	1.0	1.0	1.0	1.0	1.0
Animal control.....	1.8	2.3	2.2	2.2	2.2
FIRE					
Firefighters and officers.....	20.3	20.4	19.8	19.8	19.2
PUBLIC WORKS					
Engineering.....	3.0	3.0	3.0	3.0	3.0
Road services.....	12.0	12.0	12.0	12.0	12.0
Building.....	5.9	5.6	5.6	5.6	5.1
Maintenance.....	8.0	8.0	8.0	8.0	8.0
Other.....	11.7	10.9	10.9	8.3	8.3
COMMUNITY SERVICES:					
Recreation.....	29.8	14.9	45.1	44.0	44.8
Social services.....	3.0	3.0	3.0	3.0	3.0
Youth services.....	2.7	2.8	2.8	2.8	2.8
Senior services.....	4.2	4.1	4.1	4.1	3.6
Library administration.....	11.2	11.3	11.3	11.1	10.8
COMMUNITY DEVELOPMENT:					
Planning.....	3.5	3.5	3.5	3.5	3.5
Downtown partnership.....	1.7	1.7	1.7	1.7	1.0
EDUCATION					
Certified.....	141.1	145.6	144.7	141.9	143.7
Noncertified.....	125.3	123.0	119.4	111.1	119.4
TOTAL.....	421.2	408.9	433.9	417.8	427.5

SOURCE: Town Budget

Note: Information is not available prior to 2003

TABLE 16

TOWN OF MANSFIELD, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FOUR YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30			
	2008	2007	2006	2005
<u>GENERAL GOVERNMENT</u>				
PUBLIC SAFETY				
Fire:				
Emergency responses.....	1,885	1,610	1,682	
Fires extinguished.....	110	94	62	
Inspections.....	1,046	1,100	1,000	986
Police:				
Criminal investigations.....	640	578	715	
Motor vehicle accident investigations.....	431	425	636	
Motor vehicle citations.....	2,083	1,835	1,566	
Motor vehicle warnings.....	1,149	1,323	722	
PUBLIC WORKS				
Street resurfacing (miles).....	8.7	9.3	14.2	15.0
Building permits issued.....	818	415	392	352
PARKS AND RECREATION				
Community center visitations.....	253,050	238,141	211,804	
Programs.....	2,054	1,507	1,620	
LIBRARY				
Volumes in collection.....	88,461	80,000	80,000	
Total volumes borrowed.....	254,470	260,000	260,000	
EDUCATION				
Enrollment:				
High School.....	634	657	664	673
Middle School.....	580	594	606	621
Elementary Schools.....	698	707	726	684

SOURCES: Various Town Departments

Note: Information is not available prior to 2005

TABLE 17

TOWN OF MANSFIELD, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<u>GOVERNMENTAL ACTIVITIES</u>										
PUBLIC SAFETY:										
Fire stations.....	3	3	3	3	3	3	3	3	3	3
Police department:										
Stations.....	1	1	1	1	1	1	1	1	1	1
Patrol units.....	4	4	4	4	4	4	4	4	4	4
PUBLIC WORKS:										
Highway department:										
Streets (miles).....	106	105	105	105	105	105	104	104	104	103
COMMUNITY SERVICES:										
Social services.....	1	1	1	1	1	1	1	1	1	1
Library services.....	1	1	1	1	1	1	1	1	1	1
Day care.....	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Acres.....	1,938	1,938	1,938	1,938	1,938	1,434	1,434	1,434	1,434	1,341
Baseball/softball diamonds.....	14	14	14	14						
Soccer/football/field hockey fields.....	18	18	18	18						
Community centers.....	1	1	1	1	1					
EDUCATION:										
Number of Middle Schools.....	1	1	1	1	1	1	1	1	1	1
Number of Elementary Schools.....	3	3	3	3	3	3	3	3	3	3
SEWER FUND										
Sewer mains (miles).....	4	4	4	4	4	4	4	4	4	4
Pump stations.....	1	1	1	1	1	1	1	1	1	1

SOURCES: Various Town Departments

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

**Federal
Single
Audit**

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Passed through State Department of Administrative Services:			
Food Donation.....	10.550		\$ 18,390
Passed through State Department of Education:			
School Breakfast Program.....	10.553	12060-20508-82079-2008-17005	22,009
National School Lunch Program.....	10.555	12060-20560-82079-2008-17005	122,953
Special Milk Program for Children.....	10.556	12060-20508-82079-2008-17005	81
Total School Lunch - Cluster.....			145,043
Child and Adult Care Food Program.....	10.558		31,216
Fresh Fruit and Vegetable Program.....	10.582	12060-22051-82079-2006	1,959
Passed through State Department of Environmental Protection:			
Direct Program:			
Wildlife Habitat Incentive Program.....	10.914		6,542
TOTAL U.S. DEPARTMENT OF AGRICULTURE.....			203,150
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
Passed through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program.....	14.228	SC-0707801	9,499
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>			
Direct Program:			
Recreation Resource Management.....	15.225		1,927
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction.....	20.205	77-198	42,936
Highway Planning and Construction.....	20.205	77-209	6,323
Recreational Trails Program.....	20.219		78,880
Capital Assistance Program for Elderly Persons and Persons with Disabilities.....	20.513		32,071
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants.....	20.601		38,599
TOTAL U.S. DEPARTMENT OF TRANSPORTATION.....			198,809

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Passed through State Department of Education:			
Title I (ESEA) Local N & D.....	84.010	12060-20679-82070-2007-170002-SDE00006	\$ 12,255
Title I Grants to Local Educational Agencies.....	84.010	12060-20679-82070-2008-170002	155,848
Title I Grants to Local Educational Agencies.....	84.010	12060-20679-82070-2007-170002	1,795
Special Education - Grants to States.....	84.027	12060-20977-82032-2007-170002	39
Special Education - Grants to States.....	84.027	12060-20977-82032-2008-170002	237,788
Special Education - Preschool Grants.....	84.173	12060-20983-82032-2007-170002	284
Special Education - Preschool Grants.....	84.173	12060-20983-82032-2008-170002	15,976
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2007-170002	681 (1)
Safe and Drug-free Schools and Communities - State Grants.....	84.186	12060-20873-84131-2008-170002	3,857
Innovative Education Program Strategies.....	84.298	12060-20909-84131-2008-170002	475
Education Technology State Grants.....	84.318	12060-20826-82079-2007-170002	514
Education Technology State Grants.....	84.318	12060-20826-82079-2008-170002	5,649
Improving Teacher Quality State Grants.....	84.367	12060-20858-84131-2008-170002	<u>46,868</u>
TOTAL U.S. DEPARTMENT OF EDUCATION.....			<u>482,029</u>
<u>ELECTION ASSISTANCE COMMISSION</u>			
Passed through Secretary of State:			
Help America Vote Act Requirements Payments.....	90.401	11000-10020-29202-2008	<u>6,150</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed through State Department of Social Services:			
Social Services Block Grant.....	93.667		3,657
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Direct:			
Assistance to Firefighters Grant.....	97.044		140,090
Passed through State Office of Policy and Management:			
State and Local All Hazards Emergency Operations Planning...	97.051		6,000
State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program).....	97.004		10,752
Passed through State Department of Military:			
Emergency Management Performance Grants.....	97.042		<u>2,028</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			<u>158,870</u>
TOTAL FEDERAL AWARDS.....			<u>\$ 1,064,091</u>
(1) Returned to State			(Concluded)

See notes to Schedule of Expenditures of Federal Awards

TOWN OF MANSFIELD, CONNECTICUT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

2. NONCASH FEDERAL AWARDS

The Town received and expended \$18,390 of USDA donated commodities under the Federal Food Distribution Program.

TOWN OF MANSFIELD, CONNECTICUT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

Summary Schedule of Prior Audit Findings

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

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified that are
not considered to be material weaknesses? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified that are
not considered to be material weakness(es)? yes x none reported

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

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

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	
84.027 / 84.173	Special Education Cluster	\$ 254,087
84.010	Title I	157,643

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

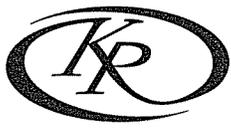
Auditee qualified as low-risk auditee? x yes no

II - FINANCIAL STATEMENT FINDINGS

None

III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

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



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

Town Council
Town of Mansfield, Connecticut

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

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

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



Town of Mansfield, Connecticut
Page Two

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Town in a separate letter dated December 24, 2008.

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 24, 2008



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

Town Council
Town of Mansfield, Connecticut

Compliance

We have audited the compliance of the Town of Mansfield, Connecticut, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2008. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Town's internal control over compliance.



Town of Mansfield, Connecticut
Page Two

Internal Control Over Compliance (Continued)

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component unit, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 24, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 24, 2008

**State
Single
Audit**

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2008

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CT CORE NUMBER	STATE PROJECT NUMBER	EXPENDITURES
OFFICE OF POLICY AND MANAGEMENT:			
Local Capital Improvement Program.....	12050-OPM20600-40254		\$ 189,215
Property Tax Relief for Disabled.....	11000-OPM20600-17011		1,074
Property Tax Relief for Elderly and Totally Disabled Homeowners.....	11000-OPM20600-17018		35,303
Property Tax Relief for Elderly Homeowners - Freeze Program.....	11000-OPM20600-17021		2,000
Property Tax Relief for Veterans.....	11000-OPM20600-17024		6,275
Property Tax Relief for Manufacturing Machinery and Equipment and Commercial Vehicles.....	11000-OPM20600-17031		7,161
ADA Compliance.....	11000-OPM20600-12336		12,265
STATE DEPARTMENT OF EDUCATION:			
School Readiness - Severe Need Schools.....	11000-SDE64000-12113	11000-12113-82079-2008-170003	107,755 (1)
Child Nutrition Program (School Lunch State Match).....	11000-SDE64000-16072	11000-16072-82051-2008-170005	7,403
Healthy Foods Grant.....	11000-SDE64000-16072	11000-16072-82010-2008-170005	16,327
Nonpublic Health Services.....	11000-SDE64000-17034	11000-17034-82010-2008-170006	17,045
School Breakfast.....	11000-SDE64000-17046	11000-17046-82057-2008	3,000
School Breakfast.....	11000-SDE64000-17046	11000-17046-82058-2008	373
Youth Services Bureau.....	11000-SDE64000-17052	11000-17052-82079-2008-170002	16,341
Youth Services Bureau.....	11000-SDE64000-17053	11000-17052-82079-2008-170003	
Youth Services Bureau Enhancement.....	11000-SDE64000-16201	11000-16201-82079-2008-170002	5,000
Preschool Quality Rating - Local Capacity Building.....	11000-SDE64000-12454	11000-12454-82010-2008-170003	9,471
STATE DEPARTMENT OF TRANSPORTATION:			
Town Aid Road Grants Transportation Fund.....	12001-DOT57000-17036		213,281
CONNECTICUT STATE LIBRARY:			
State Grants to Public Libraries.....	11000-CSL66051-17003		2,404
Connecticard.....	11000-CSL66051-17010		19,645
Historical Preservation Grant.....	12060-CSL66091-35150		47,924
FIRE PREVENTION AND CONTROL			
Fire Prevention and Control			1,250
STATE DEPARTMENT OF SOCIAL SERVICES			
Child Day Care (CDC).....	11000-DSS60000-17022		302,745
STATE DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES:			
Grants for Substance Abuse Services.....	11000-MHA53000-16003		20,738
OFFICE OF THE STATE COMPTROLLER:			
Payment in Lieu of Taxes (PILOT) on State-Owned Property.....	11000-OSC15910-17004		8,020,784
Boat Grant.....	12027-OSC15910-40211		2,503
Mashantucket Pequot/Mohegan Fund.....	12009-OSC15910-17005		389,462
BOARD OF EDUCATION & SERVICES FOR THE BLIND			
Services for the Blind.....	11000-ESB65020-12060		2,878
STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:			
Payment in Lieu of Taxes (PILOT).....	11000-ECD46400-17012-039		14,518
Small Town Economic Assistance Program (STEAP).....	12052-ECD46000-42411-075		100,167
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....			<u>9,574,307</u>

(Continued)

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2008

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CT CORE NUMBER	STATE PROJECT NUMBER	EXPENDITURES
<u>EXEMPT PROGRAMS:</u>			
<u>STATE DEPARTMENT OF EDUCATION:</u>			
Public School Transportation.....	11000-SDE64000-17027	11000-17027-82010-2008-170005	\$ 277,161
Education Cost Sharing.....	11000-SDE64000-17041	11000-17041-82010-2008-170002	9,647,880
Special Education - Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82016-2008	20,438
Special Education - Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82018-2008	15,680
School Construction Projects - Principal	13010-SDE64000-40901	13010-40901-82003-2008-170001	164,663
School Construction Projects - Interest.....	13009-SDE64000-40896	13009-40896-82004-2008-170063	16,131
School Construction Progress Payments.....	13010-SDE64000-40901	13010-40901-82006-2007-170001	<u>755,786</u>
TOTAL EXEMPT PROGRAMS.....			<u>10,897,739</u>
TOTAL STATE FINANCIAL ASSISTANCE.....			<u>\$ 20,472,046</u>
(1) \$755 returned to state			(Concluded)

TOWN OF MANSFIELD, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2008

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

TOWN OF MANSFIELD, CONNECTICUT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

Summary Schedule of Prior Audit Findings

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

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

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

Noncompliance material to financial statements noted? yes x no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes x no

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

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

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

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

<u>State Grantor and Program</u>	<u>State Grant Program Core CT Number</u>	<u>Expenditures</u>
OFFICE OF POLICY AND MANAGEMENT:		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 189,215
STATE DEPARTMENT OF EDUCATION:		
School Readiness - Severe Need Schools	11000-SDE64000-12113	107,000
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants Transportation Fund	12001-DOT57000-17036	213,281
DEPARTMENT OF SOCIAL SERVICES:		
Child Day Care (CDC)	11000-DSS60000-17022	302,745
OFFICE OF THE STATE COMPTROLLER:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OSC15910-17004	8,020,784
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	389,462
STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Small Town Economic Assistance Program (STEAP)....	12052-ECD46000-42411-075	100,167

TOWN OF MANSFIELD, CONNECTICUT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

II. FINANCIAL STATEMENTS FINDINGS

- We issued our report dated December 24, 2008, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

FINDING 08-1

Grantor: Office of the State Comptroller

State Program Name: Payment in Lieu of Taxes (PILOT) on State-owned Property

Pass-through Entity: None

State Grant Program CORE-CT Number: 11000-OSC15910-17004

Criteria

The Town must submit a copy of Form M-37 by April 1 of each year.

Condition

The report was not submitted timely.

Questioned Cost

There were no questioned costs.

Context

The late filing is believed to be an isolated instance.

Effect

The State of Connecticut did not receive required information on a timely basis.

Cause

The cause is unknown.

Recommendation

The Town should monitor the timely filing of required reports.

TOWN OF MANSFIELD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS (CONTINUED)

FINDING 08-2

Grantor: State Department of Social Services

State Program Name: Child Daycare

Pass-through Entity: None

State Grant Program CORE-CT Number: 11000-DSS60000-17022

Criteria

Daycare fees are charged based on family income.

Condition

Two families were charged the incorrect rate and there was no paperwork to support the income level of one of these families. One family's income was calculated incorrectly but the correct rate was charged.

Questioned Cost

There were no questioned costs.

Context

This involved two families out of a population of 40.

Effect

These families were not charged the correct rate.

Cause

The cause is due to miscalculations of income.

Recommendation

The Town should have a procedure that requires the review of the income calculation performed by a second person.



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

Town Council
Town of Mansfield, Connecticut

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

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

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



Town of Mansfield, Connecticut
Page Two

Compliance and Other Matters

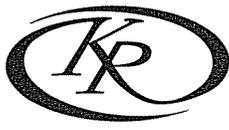
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

We noted certain matters that we reported to management of the Town in a separate letter dated December 24, 2008.

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 24, 2008



**KOSTIN,
RUFFKESS
& COMPANY, LLC**

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

Town Council
Town of Mansfield, Connecticut

Compliance

We have audited the compliance of the Town of Mansfield, Connecticut, with the types of compliance requirements described in the Office of Policy and Management Compliance Supplement that are applicable to each of its major state programs for the year ended June 30, 2008. The major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town's management. Our responsibility is to express an opinion on compliance based on our audit.

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

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the State Single Audit Act, and which are described in the accompanying schedule of findings and questioned costs as Items 08-1 and 08-2.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.



Town of Mansfield, Connecticut
Page Two

Internal Control Over Compliance (Continued)

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

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

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

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component unit, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 24, 2008. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 24, 2008