

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

of the

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

**FOR THE YEAR ENDED**

**JUNE 30, 2003**

**PREPARED BY:  
THE FINANCE DEPARTMENT**

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

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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## **REGION SCHOOL DISTRICT No. 19**

**EDWIN O. SMITH HIGH SCHOOL**

Ashford, Mansfield and Willington, CT

1235 Storrs Road  
Storrs, CT 06268-2287

860-487-1862

Fax: 860-429-0085

Bruce W. Silva  
Superintendent

February 3, 2004

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

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Regional School District No. 19 for the fiscal year ended June 30, 2003.

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

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

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

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

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

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

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

The University of Connecticut signed an agreement with Mansfield and Ashford which required the University to cause the State Treasurer to execute and deliver the deed to the school to the towns on July 1, 1987. When the State deeded the school, Mansfield and Ashford assumed the remaining indebtedness on the State's Bonds which were originally issued to finance the school. The final principal and interest on such debt was paid in fiscal year 1988-89.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Town of Mansfield encompasses approximately 45.2 square miles. The Town is bounded on the east by Chaplin, on the north by Willington and Ashford, on the south by Windham, and on the west by Coventry. The Town of Mansfield was first settled in 1692 as part of Windham. In October, 1702, the Connecticut General Assembly granted a charter of incorporation to the Town of Mansfield which was formed out of Windham.

The Town is served by two major highways: the Middle Post Road and Turnpike (Route 44) and the Norwich-Tolland Turnpike (Route 195). Route 195 connects to the North with Interstate 84 for east-west access to Hartford and Boston.

The Town operates under the provisions of its Charter and the General Statutes of the State of Connecticut. Since 1970, when the Town established the Town Manager/Council form of government, the legislative power of the Town was vested in a nine member council, elected at large for terms of two years, and the Town Meeting. The Mayor is elected by majority vote of the council. The Town Manager, who is the chief executive officer, manages the operations of the Town. The Town Council is responsible for presenting the fiscal operating budgets to the Town Meeting for approval. The Board of Education is responsible for the operation of the elementary school system.

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

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

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

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

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

## **Cash Management Policies and Practices**

Cash temporarily idle during the year was invested mainly in the State of Connecticut Short Term Investment Fund (STIF). The rate of interest for June 2003 was 1.33%, which was typical of monthly rates in the fiscal year and limited net general fund interest income to \$18,662.

## **Risk Management**

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

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

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

## **Employee Pension Systems**

Non-certified personnel, including clerical staff, janitorial staff, cafeteria staff and aids, participate in the Municipal Employees' Retirement Fund (MERF). MERF is the administrator of a cost sharing multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERF is considered to be part of the State of Connecticut financial reporting entity and is included in the State's financial report as a pension trust fund.

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

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

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

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Regional School District No. 19 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,

Jeffrey H. Smith  
School Business Manager

# REGIONAL SCHOOL DISTRICT NO. 19

## FINANCIAL MANAGEMENT GOALS

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### PREFACE

The Fiscal Performance Goals adopted by the Board on May 3, 1990, represent an initial effort to establish written policies for guiding the Board's financial management practices. These goals are not intended in any way to limit the authority of the Board to act, but rather to form a framework within which to make financial decisions and to monitor financial activity in a consistent manner. The adoption of these goals will not restrict the Board's ability and responsibility to respond to emergency or educational delivery needs above or beyond the suggested limitations herein established.

### FINANCIAL REPORTING PERFORMANCE GOALS

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

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

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

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

An independent public accounting firm will be employed to perform an annual audit of all funds and grant programs, and the annual audit report will be made available to the general public, bond and financial consultants, and other interested citizens and organizations. The audit will be completed and submitted to the Board within one hundred twenty (120) days of the close of the fiscal year.

### REVENUE PERFORMANCE GOALS

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

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

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

### OPERATING EXPENDITURES PERFORMANCE GOALS

The Superintendent will propose and the Board of Education, after review, will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonable estimated resources and revenues.

All current operation and maintenance expenses will be paid from current revenue sources.

The operating budget will provide for the adequate maintenance of capital assets and equipment.

The budget will provide for adequate funding of all employee benefit programs and retirement systems.

A budgetary control system will be maintained to enable adherence to the adopted budget. This will include a recordkeeping system to be adhered to by all programs and activities receiving annual Board appropriations.

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

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OPERATING EXPENDITURES PERFORMANCE GOALS (CONTINUED)

A system of regular monthly fiscal reports comparing actual revenues and expenditures to budgeted amounts will be prepared and maintained. An effective risk management program to minimize losses and reduce costs will be developed and implemented. The Superintendent will ensure that adequate insurance programs are in place, including unemployment and workers' compensation insurance.

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

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

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

RESERVE PERFORMANCE GOALS

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

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

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

CAPITAL IMPROVEMENTS PERFORMANCE GOALS

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

Capital improvements will be based on long-range projected needs rather than on immediate needs, in order to minimize future maintenance, replacement, and capital costs.

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

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

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CAPITAL IMPROVEMENTS PERFORMANCE GOALS (CONTINUED)

Before submission to the Board of Education, the Superintendent will identify the estimated costs and potential funding sources for each capital project proposed. Future operating costs associated with a proposed capital improvement will be estimated before a decision is made to implement a project.

Federal, State and other intergovernmental and private funding sources shall be sought out and used as available to assist in financing capital improvements.

DEBT PERFORMANCE GOALS

Long-term debt will be limited to those capital improvements that should not be financed from current revenues.

The maturity date for any debt will not exceed the reasonably expected useful life of the project so financed.

The total direct general obligation debt shall not exceed three percent (3%) of the full assessment value of all taxable property within the Region.

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

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

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

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

An official statement will be prepared to be used in connection with all sales of bonds and notes.

Good relations will be maintained with financial and bond rating agencies, and a policy of full and open disclosure on every financial report and bond prospectus will be followed.

INVESTMENT PERFORMANCE GOALS

A cash flow analysis of all funds will be developed on a regular basis. Collections, deposits and disbursements of all funds will be scheduled in such a way as to ensure maximum cash availability.

Where permitted by law, cash from several separate funds and sources will be pooled to maximize investment yields. Interest will be credited to the general fund except where prohibited by law or where the source of the cash is from the sale of debt, in which case the interest income will be transferred to the capital nonrecurring fund to finance future capital projects.

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

REGIONAL SCHOOL DISTRICT NO. 19

LIST OF PRINCIPAL OFFICIALS

BOARD OF EDUCATION

Paul Brody, Chairperson  
Herbert Arico  
Stephen Curry  
Robert Jellen  
Robert Kremer  
Elizabeth McCosh-Lilie  
Dianne Rinkus  
Deborah Potvin  
Linda Sabatelli  
Michael Sibiga  
Pamela M. Stanish  
Elena S. Tapia

-----  
Bruce W. Silva  
Superintendent

Louis DeLoreto  
Principal

Robert Buckley  
Assistant Principal

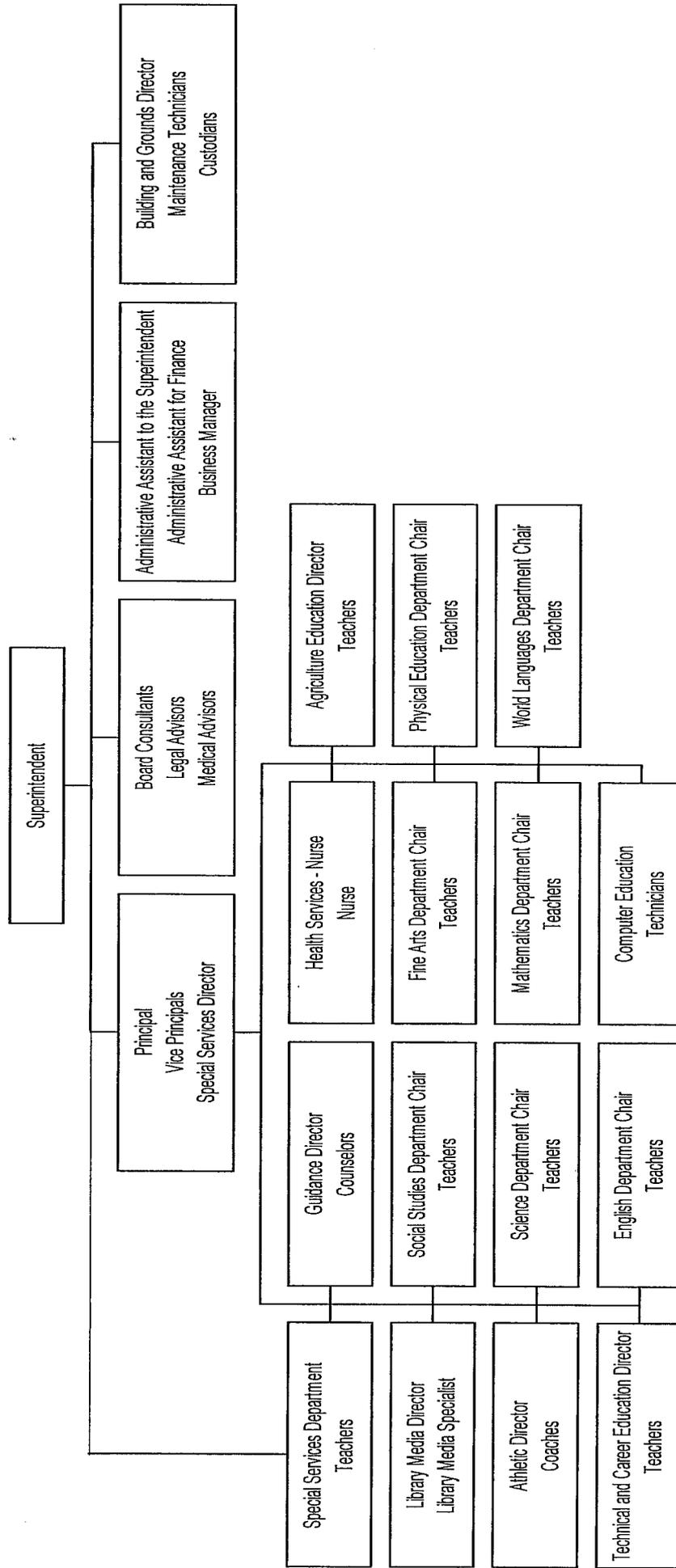
Frank Cronin  
Assistant Principal

Jeffrey H. Smith  
Business Manager

**REGIONAL SCHOOL DISTRICT NO.19**

Table of Organization

**Board of Education**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Regional School District  
No. 19, Connecticut

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

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



President

Executive Director

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# Financial Section

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**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington • New London

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

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

INDEPENDENT AUDITORS' REPORT

Board of Education  
Regional School District No. 19

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School District No. 19, as of and for the year ended June 30, 2003, which collectively comprise the Region's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School District No. 19, as of June 30, 2003, and the respective changes in financial position and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2004, on our consideration of the Region's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis on pages 15 through 21 is not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



February 3, 2004

Page Two

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Regional School District No. 19's basic financial statements. The introductory section and the accompanying financial information listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut

February 3, 2004

# REGION SCHOOL DISTRICT No. 19

EDWIN O. SMITH HIGH SCHOOL

Ashford, Mansfield and Willington, CT

1235 Storrs Road

Storrs, CT 06268-2287

860-487-1862

Fax: 860-429-0085

Bruce W. Silva

Superintendent

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

Management of the Regional School District No. 19 (The Region), offers readers of these financial statements this narrative overview and analysis of the financial activities of the Region for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

### Financial Highlights

- The assets of the Region exceeded its liabilities at the close of the most recent fiscal year by \$42,204,386 (*net assets*). Of this amount, \$24,602,904 (*unrestricted net assets*) may be used to meet the Region's ongoing obligations to citizens and creditors.
- The Region's total net assets decreased by \$1,322,363. Approximately one-half of this decrease is attributable to depreciation on buildings, improvements and equipment in excess of capital asset additions.
- As of the close of the current fiscal year, the Region's governmental funds reported combined ending fund balances of \$977,683, a decrease of \$83,359 in comparison with the prior year. \$389,001 or 39.8% of combined fund balances is *available for spending* at the Region's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$21,018 or .16% of total general fund expenditures. State law prohibits Regional School Districts from accumulating a fund balance in the general fund.
- The Region's total debt decreased by \$1,360,140 (5.1%) during the current fiscal year. The key factor in this decrease was bond principal payments of \$1,375,000.

### Overview of the Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 22-23 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 Region uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Region can be divided into two categories: governmental funds and fiduciary funds.

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

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

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

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

The basic governmental fund financial statements can be found on pages 24-28 of this report.

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

The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-45 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 46-58 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a Region's financial position. In the case of the Region, assets exceeded liabilities by \$42,204,386 at the close of the most recent fiscal year.

The second largest portion of the Region's net assets (40.3%) reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings and equipment), less any related debt used to acquire those assets that are still outstanding. The Region uses these capital assets to provide public education to eligible citizens living within the district; consequently, these assets are not available for future spending. Although the Region's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**REGIONAL SCHOOL DISTRICT No. 19 NET ASSETS  
JUNE 30, 2003**

	<b>Governmental Activities</b>
Current assets	\$ 3,796,942
Capital assets	42,012,800
Other noncurrent assets	<u>22,473,065</u>
 Total assets	 <u>68,282,807</u>
Long-term liabilities outstanding	25,080,669
Other liabilities	<u>997,752</u>
 Total liabilities	 <u>26,078,421</u>
 Net assets:	
Investment in capital assets, net of related debt	17,012,800
Restricted	588,682
Unrestricted	<u>24,602,904</u>
 Total net assets	 <u>\$ 42,204,386</u>

An additional portion of the Region's net assets (1.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$24,602,904) may be used to meet the Region's ongoing obligations to citizens and creditors.

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

**Governmental activities.** The Region's net assets decreased by \$1,322,363 during the current fiscal year. The decrease is primarily the result of depreciation expense exceeding capital replacement and school building grant receipts reflected in prior years.

**REGIONAL SCHOOL DISTRICT No. 19 CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2003**

	<b>Governmental Activities</b>
Revenues:	
Program revenues:	
Charges for services	\$ 489,963
Operating grants and contributions	1,328,726
Capital grants and contributions	17,095
General revenues:	
Assessment to member towns	12,692,700
Investment income	18,662
Miscellaneous	3,925
<b>Total revenues</b>	<b>14,551,071</b>
Expenses:	
Instructional programs	8,774,066
Guidance services	885,682
Curriculum development	26,853
Educational media	253,155
General administration	3,059,868
Student activities	457,883
Transportation	873,614
Interest expense	1,542,313
<b>Total expenses</b>	<b>15,873,434</b>
<b>Change in net assets</b>	<b>(1,322,363)</b>
<b>Net assets - July 1, 2002</b>	<b>43,526,749</b>
<b>Net assets - June 30, 2003</b>	<b>\$ 42,204,386</b>

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

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

As of the end of the current fiscal year, the Region's governmental funds reported combined ending fund balances of \$977,683, a decrease of \$83,359 in comparison with the prior year. Approximately \$389,001 of this amount constitutes unreserved fund balance, which is available for spending at the Region'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 (\$12,803), or 2) to pay debt service (\$575,879).

The general fund is the operating fund of the Region. At the end of the current fiscal year, unreserved fund balance of the general fund was \$21,018. State Law provides that any unreserved fund balance in the general fund must be returned to the member towns. The Regional Board accomplishes this by reducing member town assessments in subsequent years.

The fund balance of the Region's general fund decreased by \$42,307 during the current fiscal year. Key factors in this decrease are as follows:

- State grants for school transportation and vocational agriculture were less than budgeted by \$57,298. This was offset by tuition income for a net revenue shortfall of \$10,719.
- The balance of the reduction was in a variety of expenditure accounts.

The debt service fund has a total fund balance of \$575,879, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$175,488. This was more than anticipated by approximately \$19,500. The primary reason was reduced investment income in the debt service fund.

### **General Fund Budgetary Highlights**

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

- \$ 53,308 in miscellaneous decreases in instructional programs
- \$ 12,142 in increases allocated for guidance services
- \$ 12,997 in decreases in curriculum development
- \$ 1,662 in increases allocated for educational media
- \$ 17,440 in increases allocated to general administration
- \$ 22,088 in decreases in funds allocated to student activities
- \$101,355 in increases in transportation primarily for special education
- \$ 44,206 in decreases in funds allocated for employee benefits

Total expenditures did not exceed the legally appropriated budget. All of the above amounts were transfers between accounts.

However, revenues were less than budgetary estimates and expenditures were equal to budgetary estimates, thus causing a reduction in fund balance.

### **Capital Asset and Debt Administration**

**Capital assets.** The Region's investment in capital assets for its governmental activities as of June 30, 2003, amounts \$42,012,800 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings and equipment. The Region's investment in capital assets for the current fiscal year was \$82,942. This was offset by depreciation expense of \$627,356 so that the school's investment in capital assets declined from \$42,557,214 to \$42,012,800 or by \$544,414.

Capital asset events during the current fiscal year included the following:

- School building addition and land for \$30,333,539 and \$233,508, respectively, were completed in 2003.
- \$18,375 to repair a science room floor
- \$18,500 to resurface the athletic track
- \$30,548 in miscellaneous projects

**REGIONAL SCHOOL DISTRICT No. 19 CAPITAL ASSETS  
(Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>2003</b>	<b>2002</b>
Land	\$ 858,508	\$ 625,000
Construction in progress		30,522,420
Buildings	39,774,078	9,990,333
Improvements other than buildings	1,164,963	1,202,458
Equipment	<u>215,251</u>	<u>217,003</u>
<b>Total</b>	<b><u>\$ 42,012,800</u></b>	<b><u>\$ 42,557,214</u></b>

Additional information on the Town's capital assets can be found in Note III.C. on page 38 of this report.

**Long-term debt.** At the end of the current fiscal year, the Region had total bonded debt outstanding of \$25,000,000. The entire amount is backed by the full faith and credit of the member towns of Ashford, Mansfield and Willington.

**REGIONAL SCHOOL DISTRICT No. 19 CAPITAL ASSETS  
General Obligation Bonds**

	<b>Governmental Activities</b>	
	<b>2003</b>	<b>2002</b>
General obligation bonds	\$ 25,000,000	\$ 26,375,000
Compensated absences payable	<u>80,669</u>	<u>65,809</u>
<b>Total</b>	<b><u>\$ 25,080,669</u></b>	<b><u>\$ 26,440,809</u></b>

The Region's total debt decreased by \$1,360,140 (5.1%) during the current fiscal year. The key factor in this decrease was \$1,375,000 of principal payments.

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

State statutes limit the amount of general obligation debt a Regional School District may issue to 2.5 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant of the member towns. The current debt limitation for the Region is \$66,880,010, which is significantly in excess of the Region's outstanding general obligation debt.

Additional information on the Region's long-term debt can be found in Note III.E. on pages 39-41 of this report.

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

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

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

**2003 Monthly**

<u>Yearly Average</u>	<u>Town of Ashford</u>	<u>Town of Mansfield</u>	<u>Town of Willington</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2000	1.7	1.3	1.5	2.4	2.3	4.0
2001	2.2	1.6	2.1	2.8	3.3	4.6
2002	3.5	2.1	2.9	4.5	4.3	5.8
January	4.7	2.6	3.8	5.8	5.3	6.5
February	5.2	2.8	4.2	5.9	5.5	6.4
March	5.6	2.7	4.3	5.9	5.4	6.2
April	4.4	2.5	3.5	5.6	5.2	5.8
May	3.7	2.1	3.4	5.3	5.0	5.8
June	4.9	2.8	3.9	5.5	5.2	6.5

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

The above factors were considered in preparing the Town's budget for the 2004 fiscal year.

The budget for fiscal year 2004 was adopted on May 6, 2003. This budget required an increase to the member towns of \$698,920 or 5.2%. However, because of changes in the number of students sent from each town, the actual increases were: Ashford \$152,363 (5.8%), Mansfield \$286,046 (4.0%), and Willington \$260,511 (8.9%).

**Requests for Information**

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

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# Basic Financial Statements

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**REGIONAL SCHOOL DISTRICT NO. 19**

STATEMENT OF NET ASSETS  
JUNE 30, 2003

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 8,950
Investments.....	1,718,493
Receivables:	
Accounts.....	88,523
Intergovernmental.....	1,980,976
Total current assets.....	3,796,942
Noncurrent assets:	
Receivables:	
Intergovernmental.....	22,473,065
Capital assets (net of accumulated depreciation):	
Land.....	858,508
Buildings.....	39,774,078
Improvements other than buildings.....	1,164,963
Equipment.....	215,251
Total noncurrent assets.....	64,485,865
TOTAL ASSETS.....	68,282,807
<u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Accounts payable.....	440,975
Accrued liabilities.....	480,730
Accrued interest payable.....	48,437
Deferred revenue.....	27,610
Noncurrent liabilities:	
Due within one year.....	1,441,134
Due in more than one year.....	23,639,535
TOTAL LIABILITIES.....	26,078,421
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	17,012,800
Restricted for:	
Encumbrances.....	12,803
Debt service.....	575,879
Unrestricted.....	24,602,904
TOTAL NET ASSETS.....	\$ 42,204,386

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

**EXHIBIT B**

**REGIONAL SCHOOL DISTRICT NO. 19**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
				TOTAL GOVERNMENTAL ACTIVITIES
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instructional programs.....	\$ 8,774,066	\$ 489,963	\$ 1,046,087	\$ (7,238,016)
Guidance services.....	885,682			(885,682)
Curriculum development.....	26,853			(26,853)
Educational media.....	253,155		17,095	(253,155)
General administration.....	3,059,868			(3,042,773)
Student activities.....	457,883			(457,883)
Transportation.....	873,614		282,639	(590,975)
Interest expense.....	1,542,313			(1,542,313)
<b>TOTAL GOVERNMENTAL ACTIVITIES....</b>	<b>\$ 15,873,434</b>	<b>\$ 489,963</b>	<b>\$ 1,328,726</b>	<b>\$ (14,037,650)</b>
<b>GENERAL REVENUES:</b>				
Assessment to member towns.....				\$ 12,692,700
Investment income.....				18,662
Miscellaneous.....				3,925
<b>TOTAL GENERAL REVENUES.....</b>				<b>12,715,287</b>
<b>CHANGE IN NET ASSETS.....</b>				<b>(1,322,363)</b>
<b>NET ASSETS - JULY 1, 2002.....</b>				<b>43,526,749</b>
<b>NET ASSETS - JUNE 30, 2003.....</b>				<b>\$ 42,204,386</b>

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

REGIONAL SCHOOL DISTRICT NO. 19

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2003

	GENERAL	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 8,950	\$	\$	\$ 8,950
Investments.....	835,295	575,879	307,319	1,718,493
Receivables:				
Accounts.....	73,523		15,000	88,523
Intergovernmental.....			111,032	111,032
Due from other funds.....	22,628			22,628
<b>TOTAL ASSETS.....</b>	<b>\$ 940,396</b>	<b>\$ 575,879</b>	<b>\$ 433,351</b>	<b>\$ 1,949,626</b>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts and other payables.....	\$ 425,845	\$	\$ 15,130	\$ 440,975
Accrued liabilities.....	480,730			480,730
Due to other funds.....			22,628	22,628
Deferred revenue.....			27,610	27,610
<b>TOTAL LIABILITIES.....</b>	<b>906,575</b>	<b>-</b>	<b>65,368</b>	<b>971,943</b>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	12,803			12,803
Debt service.....		575,879		575,879
Unreserved, reported in:				
General fund.....	21,018			21,018
Special revenue funds.....			246,745	246,745
Capital projects funds.....			121,238	121,238
<b>TOTAL FUND BALANCES.....</b>	<b>33,821</b>	<b>575,879</b>	<b>367,983</b>	<b>977,683</b>
<b>TOTAL LIABILITIES AND FUND BALANCES....</b>	<b>\$ 940,396</b>	<b>\$ 575,879</b>	<b>\$ 433,351</b>	<b>\$ 1,949,626</b>

(Continued)

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	977,683
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Beginning capital assets and current additions.....		42,640,156
Depreciation expense.....		(627,356)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:		
School building grant receivable.....		24,343,009
SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Beginning long-term liabilities and current year additions.....		(26,455,669)
Long-term liability payments.....		1,375,000
Accrued interest payable.....		(48,437)
NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>42,204,386</u>

(Concluded)

REGIONAL SCHOOL DISTRICT NO. 19STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Assessment to member towns.....	\$ 12,692,700	\$	\$	\$ 12,692,700
Intergovernmental.....	786,868	2,074,482	541,858	3,403,208
Charges for services.....	449,402		40,561	489,963
Investment income.....	18,615		47	18,662
Other.....			3,925	3,925
<b>TOTAL REVENUES.....</b>	<b>13,947,585</b>	<b>2,074,482</b>	<b>586,391</b>	<b>16,608,458</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional programs.....	7,020,417		343,001	7,363,418
Guidance services.....	749,713			749,713
Curriculum development.....	25,473			25,473
Educational media.....	223,981			223,981
General administration.....	2,249,782			2,249,782
Student activities.....	424,632			424,632
Transportation.....	873,614			873,614
Employee benefits.....	1,639,460		40,882	1,680,342
Debt service.....		2,919,970		2,919,970
Capital outlay.....			180,892	180,892
<b>TOTAL EXPENDITURES.....</b>	<b>13,207,072</b>	<b>2,919,970</b>	<b>564,775</b>	<b>16,691,817</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>740,513</b>	<b>(845,488)</b>	<b>21,616</b>	<b>(83,359)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in.....		670,000	112,820	782,820
Operating transfers out.....	(782,820)			(782,820)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(782,820)</b>	<b>670,000</b>	<b>112,820</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(42,307)</b>	<b>(175,488)</b>	<b>134,436</b>	<b>(83,359)</b>
<b>FUND BALANCES - JULY 1, 2002.....</b>	<b>76,128</b>	<b>751,367</b>	<b>233,547</b>	<b>1,061,042</b>
<b>FUND BALANCES - JUNE 30, 2003.....</b>	<b>\$ 33,821</b>	<b>\$ 575,879</b>	<b>\$ 367,983</b>	<b>\$ 977,683</b>

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

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (83,359)

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

Capital outlay.....	82,942
Depreciation expense.....	<u>(627,356)</u>
Total .....	<u>(544,414)</u>

Revenues recognized in the Fund Financials, recognized previously in the Statement of Activities:

School building grant receipts.....	<u>(2,057,387)</u>
-------------------------------------	--------------------

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

Principal repayments:	
General obligation bonds.....	<u>1,375,000</u>

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

Compensated absences.....	(14,860)
Accrued interest payable.....	<u>2,657</u>
Total .....	<u>(12,203)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) ..... \$ (1,322,363)

REGIONAL SCHOOL DISTRICT NO. 19STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Assessment to member towns.....	\$ 12,692,700	\$ 12,692,700	\$ 12,692,700	\$ -
Intergovernmental.....	415,000	415,000	357,702	(57,298)
Charges for services.....	380,000	380,000	449,402	69,402
Investment income.....	20,000	20,000	18,615	(1,385)
<b>TOTAL REVENUES.....</b>	<b>13,507,700</b>	<b>13,507,700</b>	<b>13,518,419</b>	<b>10,719</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional programs.....	7,050,680	6,997,372	6,997,366	6
Guidance services.....	735,760	747,902	747,902	-
Curriculum development.....	40,870	27,873	27,873	-
Educational media.....	222,620	224,282	224,282	-
General administration.....	2,226,470	2,243,910	2,243,910	-
Student activities.....	446,720	424,632	424,632	-
Transportation.....	772,260	873,615	873,615	-
Employee benefits.....	1,254,500	1,210,294	1,210,294	-
<b>TOTAL EXPENDITURES.....</b>	<b>12,749,880</b>	<b>12,749,880</b>	<b>12,749,874</b>	<b>6</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES.....</b>	<b>757,820</b>	<b>757,820</b>	<b>768,545</b>	<b>10,725</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of fund balance.....	25,000	25,000		(25,000)
Operating transfers out.....	(782,820)	(782,820)	(782,820)	-
<b>NET OTHER FINANCING USES.....</b>	<b>(757,820)</b>	<b>(757,820)</b>	<b>(782,820)</b>	<b>(25,000)</b>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(14,275)</b>	<b>\$ (14,275)</b>
FUND BALANCE - JULY 1, 2002.....			35,293	
FUND BALANCE - JUNE 30, 2003.....			\$ 21,018	

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

REGIONAL SCHOOL DISTRICT NO. 19

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2003

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	MEMORIAL SCHOLARSHIP PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
<hr/>		
<u>ASSETS</u>		
Cash.....	\$ 3,845	\$ 35,000
Investments.....		334,530
	<hr/>	
TOTAL ASSETS.....	3,845	369,530
	<hr/>	
<u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....		369,530
	<hr/>	
<u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR OTHER PURPOSES.....	\$ 3,845	\$ -
	<hr/> <hr/>	

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

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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	MEMORIAL SCHOLARSHIP PRIVATE PURPOSE TRUST FUND
<hr/>	
ADDITIONS:	
Investment income:	
Interest and dividends.....	\$          91
NET ASSETS - JULY 1, 2002.....	<u>3,754</u>
NET ASSETS - JUNE 30, 2003.....	<u>\$          3,845</u>

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

**REGIONAL SCHOOL DISTRICT NO. 19**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2003**HISTORY AND ORGANIZATION:**

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

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

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

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Region. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by member town assessments and intergovernmental revenues.

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

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

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

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

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

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

Member town assessments, expenditure reimbursement-type grants, certain intergovernmental revenues, operating transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Region.

The Region reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

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

**1. Deposits and Investments**

Deposits - The Region considers cash equivalents as 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 - In general, State of Connecticut Statutes allow the Region to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service.

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

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

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

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

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

**2. 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).

**3. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment and \$20,000 for improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

**4. Compensated Absences**

Vacation earned may be accumulated by employees with the Superintendent's permission until termination of their employment, at which time they are paid for accumulated vacation. Unused sick leave may be accumulated for certain employees up to 150 days until termination, retirement or death, at which time no payments will be made. Teachers may accumulate up to 186 days until termination, retirement or death, at which time no payments will be made.

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

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

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

**6. Fund Equity and Net Assets**

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

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

**Invested in Capital Assets, Net of Related Debt**

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

**Restricted Net Assets**

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

**Unrestricted Net Assets**

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

**7. Estimates**

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

**8. Comparative Data/Reclassifications**

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

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

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**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

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

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

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

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

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

- The Board does not have the authority to expend beyond the total budget appropriation without Region meeting approval. No additional appropriations were made during the year.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Budget - GAAP Reconciliation**

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2003.....	\$ 13,518,419	\$ 12,749,874	\$ 21,018
Encumbrances outstanding at June 30, 2002 liquidated during the year ended June 30, 2003.....		40,835	
Encumbrances outstanding at June 30, 2003 charged to budgetary expenditures during the year ended June 30, 2003.....		( 12,803)	12,803
State Teachers' Retirement on-behalf payment.....	429,166	429,166	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2003 ...	<u>\$ 13,947,585</u>	<u>\$ 13,207,072</u>	<u>\$ 33,821</u>

**III. DETAILED NOTES**

**A. Cash and Investments**

- Deposits - At June 30, 2003, the carrying amount of the Region's deposits was \$47,795 and the bank balance was \$609,681. Of the bank balance, \$184,845 was covered by Federal Depository Insurance and \$60,583 was collateralized, based upon the calculation prescribed by P.A. 91-245, at risk category 3.

Risk category 3 is defined as collateral held by the pledging financial institution, or by its trust department or agent, but not in the Region's name. The balance of deposits of \$364,253 was uninsured and uncollateralized. In the event that a financial institution becomes insolvent and is placed under FDIC receivership, this collateral is subject to the FDIC requirements for perfecting security interests under Federal law. In the opinion of the Connecticut State Attorney General, these requirements have not been met.

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

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

**III. DETAILED NOTES (CONTINUED)**

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

2. Investments - At June 30, 2003, the Region's investments consisted of the following:

	<u>FAIR VALUE</u>	<u>RISK CATEGORY</u>
Fixed income mutual fund . . . . .	\$ 100	*
Pooled fixed income .....	<u>2,052,923</u>	*
Total .....	<u>\$ 2,053,023</u>	

\*A risk category required by GASB Statement No. 3 cannot be determined, since the Region does not own identifiable securities, but invests as a shareholder of the investment pool.

The \$2,052,923 of pooled fixed income was invested in Short Term Investment Fund (STIF). STIF is an investment pool managed by the State of Connecticut Office of the State Treasurer.

**B. Receivables**

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

Governmental Grants Receivable:	
Collectible within one year .....	\$ 1,980,976
Collectible in more than one year .....	22,473,065

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

UNEARNED REVENUE:

Grant drawdowns prior to meeting all eligibility requirements (Special Revenue Fund) .....	<u>\$ 27,610</u>
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REGIONAL SCHOOL DISTRICT NO. 19  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets**

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

	BALANCE JULY 1, 2002 (AS RESTATED)	INCREASES	DECREASES	BALANCE JUNE 30, 2003
<b>Governmental Activities:</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land .....	\$ 625,000	\$ 233,508	\$	\$ 858,508
Construction in progress.....	30,522,420	44,627	30,567,047	
Total Capital Assets, not being Depreciated.....	31,147,420	278,135	30,567,047	858,508
<b>Capital Assets, being Depreciated:</b>				
Buildings.....	13,940,000	30,333,539		44,273,539
Improvements other than buildings.....	1,687,277			1,687,277
Equipment.....	418,960	38,315		457,275
Total Capital Assets, being Depreciated.....	16,046,237	30,371,854		46,418,091
<b>Less Accumulated Depreciation for:</b>				
Buildings.....	3,949,667	549,794		4,499,461
Improvements other than buildings.....	484,819	37,495		522,314
Equipment.....	201,957	40,067		242,024
Total Accumulated Depreciation.....	4,636,443	627,356		5,263,799
Total Capital Assets, being Depreciated, net.....	11,409,794	29,744,498		41,154,292
Governmental Activities Capital Assets, net .....	\$42,557,214	\$30,022,633	\$30,567,047	\$ 42,012,800

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

<b>Governmental Activities:</b>		
Instructional programs.....		\$ 28,989
Educational media.....		793
General administration .....		597,574
Total depreciation expense - governmental activities.....		\$ 627,356

**D. Interfund Accounts**

**1. Interfund Payables and Receivables**

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

MAJOR FUND:	CORRESPONDING FUND	DUE FROM	DUE TO
<b>GENERAL FUND:</b>			
Education grants fund .....	N/A	\$ 22,628	\$
<b>NONMAJOR FUND:</b>			
<b>SPECIAL REVENUE FUND:</b>			
Education grants fund .....	General Fund		22,628
GRAND TOTAL.....		\$ 22,628	\$ 22,628

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

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

**III. DETAILED NOTES (CONTINUED)**

**D. Interfund Accounts (continued)**

**2. Interfund Transfers**

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

MAJOR FUNDS:	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
GENERAL FUND:			
Debt service .....	N/A	\$	\$ 670,000
Other operating fund .....	N/A		31,320
Workers' compensation fund .....	N/A		50,000
Capital projects fund .....	N/A		<u>31,500</u>
TOTAL GENERAL FUND .....			<u>782,820</u>
DEBT SERVICE FUND .....	General Fund	<u>670,000</u>	
NONMAJOR FUNDS			
SPECIAL REVENUE FUNDS:			
Other operating fund .....	General Fund	31,320	
Workers' compensation fund .....	General Fund	<u>50,000</u>	
TOTAL SPECIAL REVENUE FUNDS .....		<u>81,320</u>	
CAPITAL PROJECTS FUND .....	General Fund	<u>31,500</u>	
TOTAL NONMAJOR FUNDS .....		<u>112,820</u>	
GRAND TOTAL .....		<u>\$ 782,820</u>	<u>\$ 782,820</u>

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

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

**1. Summary of Changes**

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2002	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2003	CURRENT PORTION
BONDS									
Schools:									
Improvement bond	\$ 5,000,000	12/15/96	06/15/16	4.7 - 6.7%	\$ 4,000,000	\$	\$ 250,000	\$ 3,750,000	\$ 250,000
Improvement bond	10,000,000	01/01/98	06/15/17	4.1 - 6.0%	8,700,000		450,000	8,250,000	500,000
Improvement bond	10,000,000	01/01/99	06/15/18	3.85 - 5.85%	9,150,000		450,000	8,700,000	450,000
Improvement bond	4,750,000	01/01/00	06/15/18	4.8 - 6.5%	<u>4,525,000</u>		<u>225,000</u>	<u>4,300,000</u>	<u>225,000</u>
TOTAL BONDS.....					26,375,000	-	1,375,000	25,000,000	1,425,000
COMPENSATED ABSENCES.....					<u>65,809</u>	14,860		80,669	16,134
TOTAL GENERAL LONG-TERM OBLIGATIONS .....					<u>\$26,440,809</u>	\$ 14,860	\$ 1,375,000	\$25,080,669	\$1,441,134

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

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

**III. DETAILED NOTES (CONTINUED)**

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

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

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

FISCAL YEAR JUNE 30.	STATE REIMBURSE- MENT	NET PRINCIPAL PAYMENTS TO MATURITY	NET INTEREST	STATE REIMBUR- SEMENT	NET INTEREST PAYMENTS TO MATURITY	TOTAL NET DEBT SERVICE TO MATURITY	
PRINCIPAL							
2004	\$ 1,425,000	\$ 998,610	\$ 426,390	\$ 1,175,394	\$ 824,641	\$ 350,753	\$ 777,143
2005	1,500,000	1,053,246	446,754	1,109,496	778,481	331,015	777,769
2006	1,550,000	1,089,674	460,326	1,041,982	730,809	311,173	771,499
2007	1,575,000	1,108,056	466,944	974,670	683,290	291,380	758,324
2008	1,605,000	1,124,531	480,469	906,020	634,578	271,442	751,911
2009	1,725,000	1,212,863	512,137	834,575	584,104	250,471	762,608
2010	1,800,000	1,267,490	532,510	756,325	528,623	227,702	760,212
2011	1,850,000	1,294,915	555,085	673,513	469,805	203,708	758,793
2012	1,885,000	1,314,112	570,888	586,887	408,720	178,167	749,055
2013	1,885,000	1,314,112	570,888	497,112	345,732	151,380	722,268
2014	1,885,000	1,314,112	570,888	405,563	281,598	123,965	694,853
2015	1,885,000	1,314,112	570,888	313,388	217,004	96,384	667,272
2016	1,885,000	1,314,112	570,888	220,587	151,954	68,633	639,521
2017	1,585,000	1,094,443	490,557	126,850	86,215	40,635	531,192
2018	960,000	638,972	321,028	47,800	31,581	16,219	337,247
<b>TOTAL</b>	<b>\$25,000,000</b>	<b>\$17,453,360</b>	<b>\$ 7,546,640</b>	<b>\$ 9,670,162</b>	<b>\$ 6,757,135</b>	<b>\$ 2,913,027</b>	<b>\$10,459,667</b>

Commitments

As a provision to the agreement to include the Town of Willington in the Regional School District, debt service requirements on bonds issued by the Town of Ashford for the renovation of E.O. Smith High School have been assumed by the Region. In conjunction with this agreement, dated July 1, 1995, the Town has assigned the rights to State interest and principal subsidy grants being received on the issue. As part of the agreement, the Region will include the debt service in its annual operating budget. The debt is still carried on the books of the Town of Ashford and, therefore, is not reported in long-term obligations of the Region.

State Reimbursement

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

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

**III. DETAILED NOTES (CONTINUED)**

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

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

State Reimbursement (continued)

The annual requirements to amortize debt payments to be made on behalf of Ashford outstanding at June 30, 2003 are as follows:

DEBT PAYMENTS TO BE MADE ON BEHALF OF ASHFORD

FISCAL YEAR JUNE 30,	PRINCIPAL	STATE REIMBUR- SEMENT	NET PRINCIPAL PAYMENTS TO MATURITY	INTEREST	STATE REIMBUR- SEMENT	NET INTEREST PAYMENTS TO MATURITY	TOTAL NET DEBT SERVICE TO MATURITY
2004	\$ 50,000	\$ 39,127	\$ 10,873	\$ 9,750	\$ 7,567	\$ 2,183	\$ 13,056
2005	50,000	39,127	10,873	6,500	5,045	1,455	12,328
2006	50,000	39,127	10,873	3,250	2,522	728	11,601
	<u>\$ 150,000</u>	<u>\$ 117,381</u>	<u>\$ 32,619</u>	<u>\$ 19,500</u>	<u>\$ 15,134</u>	<u>\$ 4,366</u>	<u>\$ 36,985</u>

Recap: Net Debt Service to Maturity:

<u>BONDS</u>	<u>ASHFORD</u>	<u>TOTAL</u>
<u>\$ 10,459,667</u>	<u>\$ 36,985</u>	<u>\$ 10,496,652</u>

On December 15, 2003, the Region issued \$14,805,000 of general obligation refunding bonds with interest rates of 3% - 4.5%, maturing in 2018.

**2. Statutory Debt Limitations**

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

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
Schools.....	<u>\$ 66,880,010</u>	<u>\$ 7,579,259</u>	<u>\$ 59,300,751</u>

The indebtedness reflected above includes only bonds outstanding since there were no bond anticipation notes issued and outstanding. School building grants receivable of \$17,570,741 for bond principal are reflected as deductions in the computation of net indebtedness.

**3. Authorized/Unissued Bonds**

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

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

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**IV. OTHER INFORMATION**

**A. Risk Management**

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

Hospitalization and medical-surgical health coverage for Region 19 employees is administered by the Town of Mansfield (the Town) on behalf of the Regional School District (the Region). The Town operates the Mansfield Health Insurance Fund (the Fund) which has been recorded in the Town's records as an Internal Service Fund. The Fund's general objectives are to formulate, on behalf of the members, a health insurance program at lower costs of coverage and to develop a systematic method to control health costs.

A third party administers the plan through a contract with the Town for which the Fund pays a fee. The contract period is for calendar year 2003.

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

The claim liability of \$480,000 for the Fund at June 30, 2003, is based on the requirements of GASB Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of the claim accrual is based on the ultimate costs of settling the claim which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

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

For the period ended June 30, 2003, the Region's General Fund made premium payments into the Fund of \$922,576.

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

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

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

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

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

**B. Commitments and Litigation**

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

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

**C. Pension Plans**

**1. Plan Description**

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

**2. Plan Provisions**

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

**3. Funding Policy**

Covered employees are required by State Statute to contribute 2¼% of earnings upon which Social Security tax is paid plus 5% earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining cost of the plan.

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

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**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plans**

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

YEAR ENDING <u>JUNE 30,</u>	
2001.....	\$ 26,522
2002.....	32,232
2003 .....	34,868

**D. On-Behalf Payments**

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the Region's teachers to the Connecticut State Teachers' Retirement System and Connecticut State Employees' Retirement System was \$429,166.

**E. Restatements**

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

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

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

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

**Governmental Fund Financial Statements**

Fund Balance as of June 30, 2002.....	\$ 1,044,264
Add: Reclassification of internal service fund to special revenue fund.....	19,292
Deduct: Reclassification of certain special revenue funds to private purpose trust fund.....	( 2,514)
Fund Balance as of July 1, 2002.....	<u>\$ 1,061,042</u>

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

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**IV. OTHER INFORMATION (CONTINUED)**

**E. Restatements (continued)**

**Government-Wide Financial Statements**

Beginning net assets for governmental activities was determined as follows:

Fund Balances of General, Special Revenue, Debt Service and Capital Projects Funds as of June 30, 2002.....	\$ 1,061,042
Add: Governmental Capital Assets, net of accumulated depreciation as of June 30, 2002.....	42,557,214
Add: State school construction grant receivables .....	26,400,396
Deduct: Bonds payable and other long term liabilities outstanding as of June 30, 2002.....	(26,440,809)
Deduct: accrued interest payable on long-term obligations.....	<u>( 51,094)</u>
Net Assets as of July 1, 2002.....	<u>\$ 43,526,749</u>

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# General Fund

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

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# Supplemental Schedules

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REGIONAL SCHOOL DISTRICT NO. 19

GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2003 AND 2002

	2003	2002
<u>ASSETS</u>		
Cash.....	\$ 8,950	\$ 8,950
Investments.....	835,295	837,863
Accounts receivable.....	73,523	26,862
Due from other funds.....	22,628	
TOTAL ASSETS.....	<u>\$ 940,396</u>	<u>\$ 873,675</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES:		
Cash overdraft.....	\$	\$ 149,932
Accounts and other payables.....	425,845	344,955
Accrued liabilities.....	480,730	302,660
TOTAL LIABILITIES.....	<u>906,575</u>	<u>797,547</u>
FUND BALANCES:		
Reserved for encumbrances.....	12,803	40,835
Unreserved:		
Designated for subsequent year budget.....		25,000
Undesignated.....	21,018	10,293
TOTAL FUND BALANCES.....	<u>33,821</u>	<u>76,128</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 940,396</u>	<u>\$ 873,675</u>

REGIONAL SCHOOL DISTRICT NO. 19

GENERAL FUND

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	\$
FUND BALANCE - JULY 1, 2002:					
Unreserved and undesignated.....					35,293
REVENUES AND APPROPRIATION OF FUND BALANCE.....	\$ 13,532,700	\$ 13,532,700	\$ 13,518,419	\$ (14,281)	
EXPENDITURES AND TRANSFERS OUT.....	13,532,700	13,532,700	13,532,694	6	
RESULT FROM BUDGETARY OPERATIONS.....	\$	\$	\$ (14,275)	\$ (14,275)	(14,275)
FUND BALANCE - JUNE 30, 2003:					
Unreserved and undesignated.....					<u>21,018</u>

REGIONAL SCHOOL DISTRICT NO. 19

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>ASSESSMENT TO MEMBER TOWNS:</b>				
Mansfield.....	\$ 7,143,856	\$ 7,143,856	\$ 7,143,856	\$ -
Ashford.....	2,617,167	2,617,167	2,617,167	-
Willington.....	2,931,677	2,931,677	2,931,677	-
<b>TOTAL ASSESSMENT TO MEMBER TOWNS.....</b>	<b>12,692,700</b>	<b>12,692,700</b>	<b>12,692,700</b>	<b>-</b>
<b>INTERGOVERNMENTAL REVENUES:</b>				
Vocational agriculture.....	95,000	95,000	75,063	(19,937)
School transportation.....	320,000	320,000	282,639	(37,361)
<b>TOTAL INTERGOVERNMENTAL REVENUES.....</b>	<b>415,000</b>	<b>415,000</b>	<b>357,702</b>	<b>(57,298)</b>
<b>CHARGES FOR SERVICES:</b>				
Tuition - special education.....	20,000	20,000	71,150	51,150
Tuition - vo-ag.....	360,000	360,000	378,252	18,252
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>380,000</b>	<b>380,000</b>	<b>449,402</b>	<b>69,402</b>
INVESTMENT INCOME.....	20,000	20,000	18,615	(1,385)
<b>TOTAL REVENUES.....</b>	<b>13,507,700</b>	<b>13,507,700</b>	<b>13,518,419</b>	<b>10,719</b>
<b>OTHER FINANCING SOURCES:</b>				
Appropriation of fund balance.....	25,000	25,000		(25,000)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES.....</b>	<b>\$ 13,532,700</b>	<b>\$ 13,532,700</b>	<b>\$ 13,518,419</b>	<b>\$ (14,281)</b>

REGIONAL SCHOOL DISTRICT NO. 19  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	ADDITIONS (DELETIONS) AND TRANSFERS	FINAL BUDGET	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>INSTRUCTIONAL PROGRAMS:</b>					
English.....	\$ 805,830	\$ (23,124)	\$ 782,706	\$ 782,706	\$ -
Reading.....	34,750	(1,066)	33,684	33,684	-
World languages.....	467,990	57,712	525,702	525,702	-
Physical education.....	400,980	(3,248)	397,732	397,732	-
Mathematics.....	778,740	(79,358)	699,382	699,382	-
Science.....	767,430	7,140	774,570	774,570	-
Social studies.....	651,910	(26,236)	625,674	625,674	-
Fine arts/art.....	188,750	(5,313)	183,437	183,437	-
Fine arts/music.....	217,810	(7,945)	209,865	209,865	-
Computer education.....	180,900	(54,355)	126,545	126,545	-
Technical and career education management.....	78,330	(1,030)	77,300	77,300	-
School to career education.....	139,220	(1,457)	137,763	137,763	-
Family and consumer sciences.....	71,890	(4,536)	67,354	67,354	-
Technology education.....	132,040	(4,864)	127,176	127,176	-
Business education.....	229,260	(5,157)	224,103	224,103	-
Tech prep.....	6,150	(5,061)	1,089	1,089	-
English as a second language.....	64,060	(1,275)	62,785	62,785	-
Substitute teachers.....	57,000	8,947	65,947	65,947	-
Non-distributed costs.....	58,030	(58,024)	6		6
Special education instruction.....	1,024,350	(32,774)	991,576	991,576	-
Special education summer program.....	30,000	5,174	35,174	35,174	-
Remedial education.....	47,320	(2,326)	44,994	44,994	-
Agriculture education.....	335,440	(4,973)	330,467	330,467	-
Tuition payments.....	275,000	189,787	464,787	464,787	-
Central service - instructional supplies.....	7,500	54	7,554	7,554	-
<b>TOTAL INSTRUCTIONAL PROGRAMS.....</b>	<b>7,050,680</b>	<b>(53,308)</b>	<b>6,997,372</b>	<b>6,997,366</b>	<b>6</b>
<b>GUIDANCE SERVICES:</b>					
Guidance services.....	466,740	648	467,388	467,388	-
Health.....	115,580	(270)	115,310	115,310	-
Psychological services.....	137,270	1	137,271	137,271	-
Alternative education.....	16,170	11,763	27,933	27,933	-
<b>TOTAL GUIDANCE SERVICES.....</b>	<b>735,760</b>	<b>12,142</b>	<b>747,902</b>	<b>747,902</b>	<b>-</b>
<b>CURRICULUM DEVELOPMENT:</b>					
Curriculum development.....	15,600	(1,045)	14,555	14,555	-
Professional development.....	25,270	(11,952)	13,318	13,318	-
<b>TOTAL CURRICULUM DEVELOPMENT.....</b>	<b>40,870</b>	<b>(12,997)</b>	<b>27,873</b>	<b>27,873</b>	<b>-</b>
<b>EDUCATIONAL MEDIA.....</b>	<b>222,620</b>	<b>1,662</b>	<b>224,282</b>	<b>224,282</b>	<b>-</b>

(Continued)

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

	ORIGINAL BUDGET	ADDITIONS (DELETIONS) AND TRANSFERS	FINAL BUDGET	EXPENDITURES	VARIANCE WITH FINAL BUDGET
<b>GENERAL ADMINISTRATION:</b>					
Board of education.....	\$ 33,680	\$ (8,828)	\$ 24,852	\$ 24,852	\$ -
Superintendent's office.....	178,750	(700)	178,050	178,050	-
Special education management.....	208,540	34,819	243,359	243,359	-
Long range planning.....	1,000	885	1,885	1,885	-
Ext detention program.....	19,000	(14,229)	4,771	4,771	-
Principals' office services.....	426,820	16,148	442,968	442,968	-
Business management.....	177,290	(1,880)	175,410	175,410	-
Central services.....	212,620	8,503	221,123	221,123	-
Reproduction center - R19.....	71,500	(467)	71,033	71,033	-
Plant operation - buildings.....	897,270	(16,811)	880,459	880,459	-
<b>TOTAL GENERAL ADMINISTRATION.....</b>	<b>2,226,470</b>	<b>17,440</b>	<b>2,243,910</b>	<b>2,243,910</b>	<b>-</b>
<b>STUDENT ACTIVITIES:</b>					
Student activities.....	75,240	(9,792)	65,448	65,448	-
Athletic program.....	371,480	(12,296)	359,184	359,184	-
<b>TOTAL STUDENT ACTIVITIES.....</b>	<b>446,720</b>	<b>(22,088)</b>	<b>424,632</b>	<b>424,632</b>	<b>-</b>
<b>TRANSPORTATION:</b>					
Transportation.....	642,260	1,996	644,256	644,256	-
Special education transportation.....	130,000	99,359	229,359	229,359	-
<b>TOTAL TRANSPORTATION.....</b>	<b>772,260</b>	<b>101,355</b>	<b>873,615</b>	<b>873,615</b>	<b>-</b>
<b>EMPLOYEE BENEFITS.....</b>	<b>1,254,500</b>	<b>(44,206)</b>	<b>1,210,294</b>	<b>1,210,294</b>	<b>-</b>
<b>TOTAL EXPENDITURES.....</b>	<b>12,749,880</b>	<b>-</b>	<b>12,749,880</b>	<b>12,749,874</b>	<b>6</b>
<b>OTHER FINANCING USES:</b>					
Operating transfers out:					
Special revenue funds:					
Other operating fund.....	31,320		31,320	31,320	-
Workers' compensation fund.....	50,000		50,000	50,000	-
Capital projects fund.....	31,500		31,500	31,500	-
Debt service fund.....	670,000		670,000	670,000	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>782,820</b>	<b>-</b>	<b>782,820</b>	<b>782,820</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 13,532,700</b>	<b>\$ -</b>	<b>\$ 13,532,700</b>	<b>\$ 13,532,694</b>	<b>\$ 6</b>

(Concluded)

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# Nonmajor Governmental Funds

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## **Special Revenue Funds**

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

## **Other Operating Fund**

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

## **Education Grants Fund**

This fund is 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.

## **Workers' Compensation Fund**

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

## **Capital Projects Funds**

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

REGIONAL SCHOOL DISTRICT NO. 19

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2003

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OTHER OPERATING FUND	EDUCATION GRANTS FUND	WORKERS' COMPENSATION FUND	CAPITAL PROJECTS FUND	TOTAL	
<b>ASSETS</b>						
Investments.....	\$ 171,109	\$ -	\$ 28,410	\$ 107,800	\$ 199,519	\$ 307,319
Receivables:						
Accounts.....						15,000
Intergovernmental.....		111,032	-		111,032	111,032
<b>TOTAL ASSETS.....</b>	<b>\$ 171,109</b>	<b>\$ 111,032</b>	<b>\$ 28,410</b>	<b>\$ 107,800</b>	<b>\$ 310,551</b>	<b>\$ 433,351</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts and other payables.....						15,130
Due to other funds.....						22,628
Deferred revenue.....						27,610
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>63,806</b>	<b>-</b>	<b>1,562</b>	<b>63,806</b>	<b>65,368</b>
<b>FUND BALANCES:</b>						
Unreserved and undesignated.....	171,109	47,226	28,410	121,238	246,745	367,983
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 171,109</b>	<b>\$ 111,032</b>	<b>\$ 28,410</b>	<b>\$ 122,800</b>	<b>\$ 310,551</b>	<b>\$ 433,351</b>

REGIONAL SCHOOL DISTRICT NO. 19

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 JUNE 30, 2003

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OTHER OPERATING FUND	EDUCATION GRANTS FUND	WORKERS' COMPENSATION FUND	TOTAL	CAPITAL PROJECTS FUND	
REVENUES:						
Intergovernmental.....	\$ 185,188	\$ 356,670	\$ -	\$ 541,858	\$ -	\$ 541,858
Charges for services.....	40,561			40,561		40,561
Investment income.....	47			47		47
Other.....	3,925			3,925		3,925
TOTAL REVENUES.....	229,721	356,670	-	586,391	-	586,391
EXPENDITURES:						
Current:						
Instructional programs.....	91,451	251,550		343,001		343,001
Employee benefits.....			40,882	40,882		40,882
Capital outlay.....	42,928	66,147		109,075	71,817	180,892
TOTAL EXPENDITURES.....	134,379	317,697	40,882	492,958	71,817	564,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	95,342	38,973	(40,882)	93,433	(71,817)	21,616
OTHER FINANCING SOURCES:						
Operating transfers in.....	31,320		50,000	81,320	31,500	112,820
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES.....	126,662	38,973	9,118	174,753	(40,317)	134,436
FUND BALANCES - JULY 1, 2002 .....	44,447	8,253	19,292	71,992	161,555	233,547
FUND BALANCES - JUNE 30, 2003.....	\$ 171,109	\$ 47,226	\$ 28,410	\$ 246,745	\$ 121,238	\$ 367,983

SCHEDULE 7

REGIONAL SCHOOL DISTRICT NO. 19

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

YEAR AUTHORIZED	PROJECT BUDGET	CUMULATIVE PRIOR YEAR PROJECT REVENUES AND OTHER SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT BUDGET
1990-91	\$	\$ 10,000	(10,000)	\$ -	\$ -
1990-91	4,195	8,000	(3,805)	4,195	-
1994-95	19,691	143,058	(123,367)	19,691	-
1994-95		60,000	(60,000)	-	-
1995-96	31,350,000	31,350,000		31,350,000	-
1995-96	65,000	65,000		65,000	-
2002-03	18,500		18,500	18,500	-
2002-03	197,172		197,172	197,172	-
2002-03	2,000		2,000	2,000	-
2002-03	5,000		5,000	5,000	-
2002-03	6,000		6,000	6,000	-
	\$ 31,667,558	\$ 31,636,058	\$ 31,500	\$ 31,667,558	\$ -

REGIONAL SCHOOL DISTRICT NO. 19

CAPITAL PROJECTS FUND  
 SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2003

YEAR AUTHORIZED	PROJECT BUDGET	CUMULATIVE PRIOR YEAR PROJECT EXPENDITURES	CURRENT YEAR PROJECT EXPENDITURES AND TRANSFERS	CUMULATIVE PROJECT EXPENDITURES	VARIANCE WITH PROJECT BUDGET
1990-91	\$ 4,195	\$ 4,195	\$ -	\$ 4,195	\$ -
1994-95	19,691	19,692	19,692	19,692	(1)
1995-96	31,350,000	31,331,619	18,375	31,349,994	6
1995-96	65,000	66,241		66,241	(1,241)
2002-03	18,500		18,500	18,500	-
2002-03	197,172	52,755	30,548	83,303	113,869
2002-03	2,000		1,650	1,650	350
2002-03	5,000		2,744	2,744	2,256
2002-03	6,000			-	6,000
	\$ 31,667,558	\$ 31,474,502	\$ 71,817	\$ 31,546,319	\$ 121,239

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# Fiduciary Funds

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

## Agency Funds

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

## Student Activities Fund

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

## Dependent Care Fund

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

## Uninsured Medical Costs Fund

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

REGIONAL SCHOOL DISTRICT NO. 19

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

	BALANCE JULY 1, 2002	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2003
<u>ASSETS</u>				
CASH:				
Student activities fund.....	\$ 25,000	\$ 10,000	\$	\$ 35,000
INVESTMENTS:				
Student activities fund.....	331,690	382,598	389,215	325,073
Dependent care fund.....	3,161	7,747	8,727	2,181
Uninsured medical costs fund.....	3,520	30,580	26,824	7,276
TOTAL INVESTMENTS.....	338,371	420,925	424,766	334,530
TOTAL ASSETS.....	\$ 363,371	\$ 430,925	\$ 424,766	\$ 369,530
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Student activities fund.....	\$ 356,690	\$ 392,598	\$ 389,215	\$ 360,073
Dependent care fund.....	3,161	7,747	8,727	2,181
Uninsured medical costs fund.....	3,520	30,580	26,824	7,276
TOTAL LIABILITIES.....	\$ 363,371	\$ 430,925	\$ 424,766	\$ 369,530

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

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**REGIONAL SCHOOL DISTRICT NO. 19**

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

	2003	2002
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS:</b>		
Land.....	\$ 858,508	\$ 625,000
Buildings.....	44,273,539	13,940,000
Improvements other than buildings.....	1,687,277	1,687,277
Equipment.....	457,275	418,960
Construction in progress.....		30,522,420
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 47,276,599</b>	<b>\$ 47,193,657</b>
 <b>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:</b>		
Taxes.....	\$ 132,896	\$ 96,299
Intergovernmental.....	259,558	231,588
General obligation bonds.....	31,133,525	31,115,150
Contributions.....	15,750,620	15,750,620
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE.....</b>	<b>\$ 47,276,599</b>	<b>\$ 47,193,657</b>

SCHEDULE 11

REGIONAL SCHOOL DISTRICT NO. 19

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

	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT
Instructional programs.....	\$ 343,647	\$	\$	\$	\$ 343,647
Educational media.....	7,930				7,930
General administration.....	46,925,022	858,508	44,273,539	1,687,277	105,698
<b>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS.....</b>	<b>\$ 47,276,599</b>	<b>\$ 858,508</b>	<b>\$ 44,273,539</b>	<b>\$ 1,687,277</b>	<b>\$ 457,275</b>

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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	BALANCE JULY 1, 2002 (AS RESTATED)	ADDITIONS	BALANCE JUNE 30, 2003
Instructional programs.....	\$ 305,332	\$ 38,315	\$ 343,647
Educational media.....	7,930		7,930
General administration.....	46,880,395	44,627	46,925,022
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS....	<u>\$ 47,193,657</u>	<u>\$ 82,942</u>	<u>\$ 47,276,599</u>

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# Statistical Section

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## REGIONAL SCHOOL DISTRICT NO. 19

SCHOOL EXPENDITURES BY FUNCTION - GAAP BASIS  
LAST TEN YEARS  
GENERAL AND SPECIAL REVENUE FUNDS  
(UNAUDITED)

YEAR ENDED JUNE 30,	INSTRUCTIONAL PROGRAMS	GUIDANCE SERVICES	CURRICULUM DEVELOPMENT	EDUCATIONAL MEDIA	GENERAL ADMINISTRATION	SUPPORT SERVICES	STUDENT ACTIVITIES	TRANSPORTATION	EMPLOYEE BENEFITS	CAPITAL OUTLAY	TOTAL EXPENDITURES
1994	\$ 4,099,824	\$ 436,819	\$ 43,404	\$ 183,126	\$ 1,469,919	\$ 23,582	\$ 234,365	\$ 306,775	\$ 654,984	\$	\$ 7,452,798
1995	4,530,738	488,321	32,370	195,864	1,584,080	33,247	292,414	472,721	749,568	178,490	8,557,813
1996	4,697,726	518,781	20,871	194,855	1,583,576	41,133	280,425	493,770	984,658	43,913	8,859,708
1997	4,900,894	575,247	24,465	187,578	1,589,816	13,808	285,163	522,389	1,092,890	7,733	9,199,983
1998	5,159,293	600,584	27,652	195,213	1,665,148	15,729	337,318	533,043	1,313,740	4,396	9,852,116
1999	5,631,033	629,857	34,427	203,835	1,822,484	23,273	377,117	593,206	1,287,693		10,602,925
2000	6,279,049	657,231	38,237	198,098	1,965,106	1,060	384,877	589,966	1,472,992	130,625	11,717,241
2001	6,741,273	680,842	27,452	205,802	2,116,761		408,557	676,086	1,512,172	271,740	12,640,685
2002	7,214,135	715,494	29,257	209,341	2,153,965	400	420,674	723,109	1,622,821	70,456	13,159,652
2003	7,363,418	749,713	25,473	223,981	2,249,782		424,632	873,614	1,680,342	109,075	13,700,030

**REGIONAL SCHOOL DISTRICT NO. 19**

SCHOOL REVENUES BY SOURCE - GAAP BASIS  
 LAST TEN YEARS  
 GENERAL AND SPECIAL REVENUE FUNDS  
 (UNAUDITED)

YEAR ENDING JUNE 30,	ASSESSMENT TO MEMBER TOWNS	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	INTEREST AND OTHER	TOTAL
1994	\$ 4,905,370	\$ 806,918	\$ 1,954,149	\$ 35,923	\$ 7,702,360
1995	6,980,337	884,423	467,606	67,875	8,400,241
1996	7,831,811	658,116	408,965	47,914	8,946,806
1997	8,258,785	1,115,134	400,146	40,191	9,814,256
1998	8,542,322	939,974	408,330	48,252	9,938,878
1999	9,319,520	1,023,247	345,869	72,061	10,760,697
2000	10,291,270	1,235,573	490,363	81,906	12,099,112
2001	11,199,500	1,241,836	571,671	40,650	13,053,657
2002	11,931,690	1,618,863	499,826	12,414	14,062,793
2003	12,692,700	1,328,726	489,963	22,587	14,533,976

REGIONAL SCHOOL DISTRICT NO. 19

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

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

<u>ASHFORD</u>						
YEAR ENDED JUNE 30,	NET TAXABLE GRAND LIST	TAX RATE/ \$1,000	TOTAL ADJ. TAX LEVY	PERCENT COLLECTED END OF EACH YEAR	UNCOLLECTED TAXES	
					END OF EACH YEAR	AS OF JUNE 30, 2003
1994	\$ 101,383,210	34.90	\$ 3,421,005	95.9%	\$ 147,405	\$ 3,819
1995	105,590,180	34.40	3,664,596	96.0%	144,237	9,700
1996	109,006,560	34.40	3,785,574	96.1%	139,000	5,313
1997	145,601,854	26.00	3,796,875	97.5%	93,783	7,150
1998	148,451,240	27.00	4,097,443	97.4%	84,698	8,575
1999	152,232,210	28.00	4,324,145	98.2%	73,818	12,423
2000	157,411,650	31.00	4,968,599	98.0%	92,898	20,789
2001	163,689,470	31.00	5,137,129	97.0%	113,321	30,956
2002	169,337,960	33.00	5,663,674	97.0%	127,310	49,455
2003	178,435,038	34.50	6,143,270	98.1%	117,434	117,434

<u>MANSFIELD</u>						
YEAR ENDED JUNE 30,	NET TAXABLE GRAND LIST	TAX RATE/ \$1,000	TOTAL ADJ. TAX LEVY	PERCENT COLLECTED END OF EACH YEAR	UNCOLLECTED TAXES	
					END OF EACH YEAR	AS OF JUNE 30, 2003
1994	\$ 444,697,104	25.56	\$ 11,419,076	97.57%	\$ 277,211	\$ 1,361
1995	459,683,990	25.56	11,873,898	97.90%	288,087	2,407
1996	471,330,926	25.56	12,135,017	97.61%	289,621	2,095
1997	481,645,090	25.56	12,390,572	97.96%	252,172	3,981
1998	490,206,418	25.56	12,628,492	97.87%	269,524	9,748
1999	495,721,014	25.56	12,368,540	98.26%	222,286	10,972
2000	505,885,526	25.56	13,053,176	98.41%	207,934	21,712
2001	512,226,781	26.13	13,552,260	98.38%	219,412	51,293
2002	537,747,140	26.35	14,333,193	98.63%	196,783	84,897
2003	555,647,065	27.50	15,487,465	98.17%	282,750	282,750

<u>WILLINGTON</u>						
YEAR ENDED JUNE 30,	NET TAXABLE GRAND LIST	TAX RATE/ \$1,000	TOTAL ADJ. TAX LEVY	PERCENT COLLECTED END OF EACH YEAR	UNCOLLECTED TAXES	
					END OF EACH YEAR	AS OF JUNE 30, 2003
1994	\$ 269,095,910	18.35	\$ 4,976,887	98.79%	\$ 60,225	\$
1995	275,918,585	18.85	5,223,893	98.66%	70,177	
1996	282,076,920	19.30	5,470,878	98.38%	88,618	
1997	291,686,363	19.10	5,592,223	98.67%	74,273	
1998	310,340,643	18.85	5,841,035	98.90%	66,057	
1999	323,797,290	19.35	6,104,292	99.01%	62,335	1,051
2000	326,963,612	20.90	6,884,498	99.25%	51,893	4,405
2001	274,734,190	25.70	7,116,435	99.53%	33,486	4,937
2002	279,602,000	26.50	7,688,819	99.54%	35,078	10,574
2003	290,692,347	27.25	8,009,889	99.41%	47,756	47,756

REGIONAL SCHOOL DISTRICT NO. 19

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

GRAND LIST AS OF OCTOBER 1	RESIDENTIAL REAL PROPERTY		COMMERCIAL & INDUSTRIAL REAL PROPERTY		ALL OTHER LAND		PERSONAL PROPERTY		MOTOR VEHICLE		GROSS TAXABLE GRAND LIST		NET TAXABLE GRAND LIST	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
1992	79,491,580	77.6%	7,930,830	7.7%	2,123,720	2.1%	3,587,270	3.5%	9,300,750	9.1%	102,434,150	9.1%	1,050,940	101,383,210
1993	80,713,650	75.7%	7,982,110	7.5%	2,171,360	2.0%	3,943,710	3.7%	11,867,170	11.1%	106,678,000	11.1%	1,087,820	105,590,180
1994	82,199,340	74.6%	8,015,400	7.3%	2,221,070	2.0%	4,286,990	3.9%	13,423,840	12.2%	110,146,640	12.2%	1,140,080	109,006,560
1995	117,803,865	80.2%	8,300,920	5.7%	1,439,810	1.0%	4,119,868	2.8%	15,089,391	10.3%	146,753,854	10.3%	1,152,000	145,601,854
1996	119,298,890	79.7%	8,319,150	5.6%	1,441,790	1.0%	4,651,970	3.1%	15,911,330	10.6%	149,623,130	10.6%	1,171,890	148,451,240
1997	121,391,850	79.1%	8,822,290	5.8%	1,441,840	0.9%	5,297,370	3.5%	16,451,150	10.7%	153,404,500	10.7%	1,172,290	152,232,210
1998	121,893,620	76.8%	8,013,430	5.1%	5,280,020	3.3%	5,492,630	3.5%	17,905,790	11.3%	158,585,490	11.3%	1,173,840	157,411,650
1999	125,555,250	76.1%	8,348,280	5.1%	5,211,500	3.2%	6,299,850	3.8%	19,529,830	11.8%	164,944,710	11.8%	1,255,240	163,689,470
2000	128,641,410	75.5%	8,760,670	5.1%	5,219,620	3.1%	6,831,800	4.0%	21,047,770	12.3%	170,501,270	12.3%	1,163,310	169,337,960
2001	133,282,394	74.2%	8,801,352	4.9%	5,222,404	2.9%	7,025,040	3.9%	25,272,128	14.1%	179,603,318	14.1%	1,168,280	178,435,038
<u>ASHFORD</u>														
1992	323,291,800	72.2%	67,766,580	15.1%	10,532,590	2.4%	15,682,274	3.5%	30,293,460	6.8%	447,566,704	6.8%	2,869,600	444,697,104
1993	328,556,570	71.1%	69,996,850	15.1%	10,191,630	2.2%	16,894,385	3.7%	36,649,845	7.9%	462,289,280	7.9%	2,605,290	459,683,990
1994	332,408,430	70.0%	72,266,530	15.3%	10,248,840	2.2%	17,394,910	3.7%	41,547,586	8.8%	473,866,296	8.8%	2,535,370	471,330,926
1995	337,911,010	69.8%	72,702,035	15.0%	10,058,590	2.1%	16,390,293	3.4%	47,090,381	9.7%	484,152,309	9.7%	2,507,219	481,645,090
1996	342,739,780	69.6%	73,491,425	14.9%	9,897,720	2.0%	17,251,459	3.5%	49,425,720	10.0%	492,806,104	10.0%	2,599,686	490,206,418
1997	345,860,180	69.3%	74,042,470	14.9%	9,908,730	2.0%	18,064,828	3.6%	50,685,753	10.2%	498,561,961	10.2%	2,840,947	495,721,014
1998	349,339,490	68.6%	74,470,470	14.6%	9,845,530	1.9%	18,734,640	3.7%	56,825,867	11.2%	509,215,997	11.2%	3,330,471	505,885,526
1999	355,732,580	69.0%	74,608,010	14.5%	9,114,790	1.7%	18,961,001	3.7%	57,169,897	11.1%	515,586,278	11.1%	3,359,497	512,226,781
2000	393,635,960	72.6%	62,007,250	11.5%	4,300,240	0.8%	19,819,353	3.7%	61,593,730	11.4%	541,356,533	11.4%	3,609,393	537,747,140
2001	402,098,470	71.8%	67,035,210	12.0%	3,370,640	0.6%	23,498,820	4.2%	63,581,361	11.4%	559,584,501	11.4%	3,937,436	555,647,065
<u>WILLINGTON</u>														
1992	203,018,620	75.2%	26,485,720	9.8%	19,893,040	7.4%	5,390,370	2.0%	15,167,490	5.6%	269,955,240	5.6%	859,330	269,095,910
1993	203,951,430	73.7%	29,457,600	10.6%	18,833,990	6.8%	5,685,790	2.1%	18,898,525	6.8%	276,827,335	6.8%	908,750	275,918,585
1994	208,824,855	73.8%	28,391,770	10.0%	17,887,255	6.3%	5,956,268	2.1%	22,022,152	7.8%	283,082,300	7.8%	1,005,380	282,076,920
1995	206,704,395	70.6%	36,695,730	12.5%	17,564,695	6.0%	7,221,003	2.5%	24,614,578	8.4%	292,800,401	8.4%	1,114,038	291,686,363
1996	209,314,205	67.2%	53,721,530	17.2%	15,402,915	4.9%	7,666,170	2.5%	25,443,483	8.2%	311,548,303	8.2%	1,207,660	310,340,643
1997	211,780,025	65.2%	55,728,650	17.1%	15,173,785	4.7%	16,000,360	4.9%	26,280,550	8.1%	324,963,370	8.1%	1,166,080	323,797,290
1998	214,896,493	65.5%	55,603,570	16.9%	13,925,875	4.2%	16,517,070	5.0%	27,531,064	8.4%	328,474,072	8.4%	1,510,460	326,963,612
1999	148,225,270	53.6%	50,344,680	18.2%	31,614,400	11.4%	16,509,680	6.0%	29,840,320	10.8%	276,534,350	10.8%	1,800,160	274,734,190
2000	150,776,200	53.6%	51,692,020	18.4%	31,969,520	11.3%	15,596,580	5.5%	31,494,920	11.2%	281,529,240	11.2%	1,927,240	279,602,000
2001	153,891,310	52.5%	51,779,050	17.7%	32,403,150	11.1%	22,132,890	7.6%	32,382,367	11.1%	292,588,767	11.1%	1,896,420	290,692,347

REGIONAL SCHOOL DISTRICT NO. 19

PRINCIPAL TAXPAYERS OF THE MEMBER TOWNS  
FOR ASSESSMENT YEAR OCTOBER 1, 2001  
(UNAUDITED)

<u>ASHFORD</u>			
TAXPAYER	NATURE OF BUSINESS	ASSESSED VALUE 10/1/2001	PERCENTAGE *
Connecticut Light & Power Co., The	Public Utility	\$ 1,762,560	0.99%
Fairfield Gardens III, LLC	Apartments	1,127,190	0.63%
T & S of Connecticut	Commercial	908,750	0.51%
Cadlerock Properties	Commercial	874,270	0.49%
Ashford Hills Associates, Inc.	Apartments	814,400	0.46%
Ashford Motel	Lodging	733,780	0.41%
Woodlawn Apartments, LLC	Apartments	647,670	0.36%
Crossen Builders, Inc.	Contractor	565,460	0.32%
SNET Mobility, INC	Public Utility	540,900	0.30%
Cellco Partnership	Commercial	483,200	0.27%
		<u>\$ 8,458,180</u>	<u>4.74%</u>

\* Based on the net taxable Grand List for October 1, 2001 of \$178,435,038.

<u>MANSFIELD</u>			
TAXPAYER	NATURE OF BUSINESS	ASSESSED VALUE 10/1/2001	PERCENTAGE *
Connecticut Light & Power Co.	Public Utility	\$ 5,791,440	1.04%
Colonial BT, LLC	Apartments	4,856,250	0.87%
Hayes-Kaufman Partnership	Big Y Plaza	4,653,900	0.84%
Nathan Hale Inn	Hotel	4,492,390	0.81%
New Samaritan Corp.	Nursing/Rehab	4,114,560	0.74%
Mans-Eastbrook Dev. Co	Eastbrook Mall	3,825,840	0.69%
ConnTech Development Corp.	Apartments	3,645,880	0.66%
Glen Ridge Cooperative, Inc.	Housing Co-Op	3,464,980	0.62%
Orchard Acres Associates	Condos/Apts	2,457,520	0.44%
First Phillips, Inc	Apartments	2,123,840	0.38%
		<u>\$ 39,426,600</u>	<u>7.09%</u>

\* Based on the net taxable Grand List for October 1, 2001 of \$555,647,065.

<u>WILLINGTON</u>			
TAXPAYER	NATURE OF BUSINESS	ASSESSED VALUE 10/1/2001	PERCENTAGE *
Services Development Corporation	Commercial Land and Building	\$ 13,653,160	4.70%
Fedex Ground Package System	Package/Trucking Co.	12,228,550	4.21%
Royce Properties LLC	Travel Centers of America	7,484,510	2.57%
GLK Realty Ltd Partnership	Apartments	5,910,030	2.03%
Willington Oaks Apartments LLC	Apartments	3,228,230	1.11%
Connecticut Light & Power Co.	Public Utility	2,452,680	0.84%
Alcort Realty Group, Inc	Apartments	2,173,080	0.75%
Lawrence Becker	Land and Construction	1,648,840	0.57%
Deer Park Apartments LLC	Apartments	1,301,990	0.45%
Fairfield Gardens LLC	Apartments	1,228,290	0.42%
		<u>\$ 51,309,360</u>	<u>17.65%</u>

\* Based on the net taxable Grand List for October 1, 2001 of \$290,692,347.

REGIONAL SCHOOL DISTRICT NO. 19

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

<u>ASHFORD</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1994	3,800	\$ 101,383,210	\$ 3,925,000	3.9%	\$ 1,033
1995	3,850	105,590,180	3,747,000	3.5%	973
1996	4,000	109,006,560	3,225,000	3.0%	806
1997	4,000	145,601,854	2,945,000	2.0%	736
1998	4,000	148,451,240	2,690,000	1.8%	673
1999	4,000	152,232,210	2,435,000	1.6%	609
2000	3,978	157,411,650	3,330,612	2.1%	837
2001	4,098	163,689,470	3,157,500	1.9%	770
2002	4,107	169,337,960	2,896,461	1.7%	705
2003	4,107	178,435,038	6,212,565	3.5%	1,513

<u>MANSFIELD</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1994	19,882	\$ 444,697,104	\$ 11,044,821	2.5%	\$ 556
1995	19,620	459,683,990	10,004,132	2.2%	510
1996	19,624	471,330,926	8,968,443	1.9%	457
1997	19,500	481,645,090	7,917,754	1.6%	406
1998	19,500	490,206,418	6,982,065	1.4%	358
1999	20,000	495,721,014	8,346,376	1.7%	417
2000	20,500	505,885,526	7,410,688	1.5%	361
2001	20,720	512,226,781	8,805,000	1.7%	425
2002	22,000	537,747,140	7,715,000	1.4%	351
2003	23,700	555,647,065	6,540,000	1.2%	276

<u>WILLINGTON</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1994	6,220	\$ 269,095,910	\$ 2,462,000	0.9%	\$ 396
1995	6,319	275,918,585	3,141,000	1.1%	497
1996	6,385	282,076,920	2,683,368	1.0%	420
1997	6,309	291,686,363	2,232,368	0.8%	354
1998	6,153	310,340,643	3,381,367	1.1%	550
1999	6,131	323,797,290	2,935,367	0.9%	479
2000	5,962	326,963,612	2,489,367	0.8%	418
2001	5,959	274,734,190	2,175,000	0.8%	365
2002	6,071	279,602,000	1,875,000	0.7%	309
2003	6,116	290,692,347	1,575,000	0.5%	258

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

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

REGIONAL SCHOOL DISTRICT NO. 19

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

<u>ASHFORD</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1994	\$ 743,352	\$ 6,647,829	11.2%
1995	588,056	6,817,288	8.6%
1996	618,566	7,344,599	8.4%
1997	484,847	7,653,274	6.3%
1998	351,021	7,875,461	4.5%
1999	339,491	8,428,770	4.0%
2000	242,411	8,401,651	2.9%
2001	372,079	9,303,072	4.0%
2002	384,524	9,465,144	4.1%
2003	402,563	11,207,770	3.6%

<u>MANSFIELD</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1994	\$ 1,732,708	\$ 20,660,360	8.4%
1995	1,772,872	21,597,261	8.2%
1996	1,695,241	22,520,759	7.5%
1997	1,638,275	23,223,334	7.1%
1998	1,161,328	23,826,587	4.9%
1999	1,293,558	25,462,958	5.1%
2000	1,189,692	27,724,090	4.3%
2001	1,273,412	28,768,868	4.4%
2002	1,312,352	30,184,366	4.3%
2003	1,348,975	31,061,554	4.3%

<u>WILLINGTON</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1994	\$ 590,573	\$ 8,956,889	6.6%
1995	553,613	9,198,037	6.0%
1996	651,279	9,637,763	6.8%
1997	617,784	9,817,385	6.3%
1998	576,250	10,011,676	5.8%
1999	555,929	10,420,185	5.3%
2000	477,565	10,944,094	4.4%
2001	448,149	11,430,835	3.9%
2002	414,495	11,773,656	3.5%
2003	396,025	12,123,835	3.3%

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

**TABLE 8****REGIONAL SCHOOL DISTRICT NO. 19**

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

YEAR ENDED JUNE 30,	GROSS DEBT SERVICE	(1) TOTAL SCHOOL EXPENDITURES	PERCENT
1994	\$ 77,380	\$ 7,452,798	1.0%
1995	73,980	8,557,813	0.9%
1996	470,708	8,859,708	5.3%
1997	628,180	9,199,983	6.8%
1998	1,163,140	9,852,116	11.8%
1999	1,588,727	10,602,925	15.0%
2000	2,317,372	11,717,241	19.8%
2001	2,777,070	12,640,685	22.0%
2002	2,942,957	13,159,652	22.4%
2003	2,919,970	13,700,030	21.3%

(1) From Table 1

**REGIONAL SCHOOL DISTRICT NO. 19**

**EDWIN O. SMITH HIGH SCHOOL ENROLLMENT  
JUNE 30, 2003  
(UNAUDITED)**

<b>YEAR ENDED JUNE 30,</b>	<b>ASHFORD</b>	<b>MANSFIELD</b>	<b>WILLINGTON</b>	<b>OTHER TUITION</b>	<b>TOTAL</b>
1998	164	539	239	64	1006
1999	185	523	259	58	1025
2000	203	577	265	57	1102
2001	224	619	277	69	1189
2002	231	631	260	64	1186
2003	246	662	285	70	1263
<b>PROJECTED:</b>					
2004	246	657	293	70	1266
2005	251	658	297	66	1272
2006	252	674	294	66	1286
2007	230	674	269	66	1239

Source: State Department of Education

**TABLE 10**

**REGIONAL SCHOOL DISTRICT NO. 19**

DISTRICT AND MEMBER TOWN INDEBTEDNESS AND  
COMPUTATION OF DEBT LIMIT AND DEBT MARGIN - THE DISTRICT  
JUNE 30, 2003  
(UNAUDITED)

	TOWN OF			
	ASHFORD	MANSFIELD	WILLINGTON	TOTAL
Total Fiscal Year 2002-03				
Tax Collections (including interest and tax lien fees)	\$ 6,191,297	\$ 15,491,995	\$ 7,995,214	\$ 29,678,506
State Reimbursement for Revenue				
Loss on:				
Relief for Elderly Freeze	11,125	2,304	32,514	45,943
Base for Establishing Debt Limit	<u>\$ 6,202,422</u>	<u>\$ 15,494,299</u>	<u>\$ 8,027,728</u>	<u>\$ 29,724,449</u>
Debt Limit:				
Limit for School Building Purposes (2.25 times base)				<u>\$ 66,880,010</u>
Indebtedness:				
Serial Bonds Outstanding:				
Region 19				25,000,000
Ashford				<u>150,000</u>
Total Serial Bonds Outstanding				<u>25,150,000</u>
Less: State Grants Receivable:				
Region 19				17,453,360
Ashford				<u>117,381</u>
Total State Grants Receivable				<u>17,570,741</u>
Net Indebtedness				<u>7,579,259</u>
Debt Limitation in Excess of Net Indebtedness				<u>\$ 59,300,751</u>

**STRATEGIC SCHOOL PROFILE 2002-03**  
High School Edition

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

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

Telephone: 860-486-2732

School Type: Traditional/Regular

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

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

**STUDENT ENROLLMENT**

School Grade Range 9-12  
Total January Enrollment 1240  
5-Year Oct. Enrollment Change 25.4%



**FACILITIES, 2001-02**

# of Permanent General Classrooms 78  
# of Portable Classrooms 0  
Year of Original Construction 1956

**SCHOOL NEED**

Current and Past School Need	Year	School	ERG High Schools	State High Schools
% of Students Eligible for Free/Reduced-Price Meals	2002-03	6.7	3.0	17.6
% of K-12 Students with Non-English Home Language	2002-03	1.3	1.3	10.9
	1998-99	4.6	1.7	11.6
% of Juniors and Seniors Working More than 16 Hours Per Week	2002-03	24.4	26.7	25.7
	1997-98	24.4	31.0	30.3

Enrollment in Special Programs	Students in School	Percent in School	% in ERG High Schools	% in State High Schools
Bilingual Education and English as a Second Language Services (K-12)	16	1.3	0.3	2.7
Compensatory Education	142	11.3	2.3	7.5
Gifted and Talented Program	0	0.0	0.5	2.2
Special Education	185	14.7	10.8	11.7

JANUARY STUDENT RACE/ETHNICITY

Race/Ethnicity	Number	Percent
American Indian	10	0.8
Asian American	49	4.0
Black	28	2.3
Hispanic	39	3.1
White	1114	89.8
Other	0	0.0

Total Minority 2002-03 10.2%  
Total Minority 1997-98 7.7%



EFFORTS TO REDUCE RACIAL, ETHNIC, AND ECONOMIC ISOLATION

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

Regional School District #19 - Edwin O. Smith High School has continued since the 1997-98 school year to increase and expand interactions among students with varying backgrounds. A significant and growing number of programs have been made available to students and faculty to reduce racial, ethnic and economic isolation. The following is a brief summary of our efforts during the 2002-2003 school year:

Sister School Partnership - This year students and faculty participated in the E.O. Smith and East Hartford High School Sister School Project. Started in 1998, the cooperative inter-district program has maintained the interest of both schools and provided valuable experiences for students with diverse backgrounds. Over 50 students and 2 faculty members participated in this year's programs.

Arts Connect - Art students from E.O. Smith, Woodstock Academy, Plainfield High School and Norwich Free Academy collaborated on regional art projects involving teacher and students from all four schools. The project involved over 200 students and four faculty members for two full days of instruction and activities.

School Exchange Program - E.O. Smith and Windham High School continued a program initiated in 2001. Student leaders from both schools had an opportunity to meet to exchange ideas and share information on how the two schools could work together to maintain positive community relationships.

Connecticut Youth Forum - Approximately six E.O. Smith students participated in the Connecticut Youth Forums, which are conducted with statewide high schools. The Forums highlight student lead discussions on local, state and national topics that are of interest to the student participants.

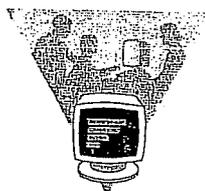
During the 2002-2003 school year, E.O. Smith students and faculty enjoyed many opportunities to learn and socialize with students from different communities and cultures. More programs and activities are being conducted each year resulting in a higher percentage of students who experience the benefit from interactions with students from more diverse backgrounds.

### SCHOOL RESOURCES

Instructional Time*	School	ERG High Schools	State High Schools
Total Hours of Instruction Per Year	1,057	1,018	1,000

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

#### TECHNOLOGY



% of Classrooms, Libraries, and Laboratories Wired for:	School	ERG High Schools	State High Schools
Video	100.0	79.9	74.6
Voice	100.0	76.0	80.5
Internet Access	100.0	98.5	93.7
Multi-Room Network (LAN)	6.4	67.2	72.9

Computers	School	ERG HS	State HS
# of Students Per Academic Computer	3.5	3.7	3.6
% of Computers that are High or Moderate Power	96.4	99.4	98.5
% of Computers with Internet Access, All Speeds	96.4	93.9	92.8
% of Computers with High Speed Internet Access	96.4	93.9	92.0
% of Internet Computers with Filtering Software	100.0	99.9	93.7

This school has a functional satellite link.

#### LIBRARY MATERIALS

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

Library Materials	School	ERG HS	State HS
# of Print Volumes Per Student*	15.3	21.7	16.5
% of Print Volumes Purchased in the Last Three Years	6.1	8.0	10.2
# of Print Periodical Subscriptions	75	62.3	52.2
# of Non-Print Materials	1184	718.8	773.6

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

#### STAFFING RESOURCES



Average Class Size	School	ERG	State
Algebra I	19.2	18.1	20.2
Biology I	18.8	18.2	20.0
English, Grade 10	18.3	18.0	19.9
American History	18.4	18.7	20.2

School Staff Count Full-Time Equivalent	2002-03	2001-02
# of Certified Staff		
Teachers	99.9	96.0
Administrators	6.4	7.4
Library/Media Staff	2.0	2.0
Counselors, Social Workers, and School Psychologists	9.3	9.3
Other Professionals	2.0	1.8
# of Non-Certified Instructional	33.6	16.0

Professional Staff Race/Ethnicity	2002-03	2001-02	1997-98
% Minority	4.1	2.5	3.0
Professional Staff Experience and Training	School	ERG High School	State High School
Average Number of Years Experience in CT	11.1	13.5	14.2
% with Master's Degree or Above	74.0	77.1	75.9
% Trained as Mentors, Assessors, or Cooperating Teachers	38.2	25.8	23.7

**SCHOOL PROCESSES**

Student and Teacher Statistics	School	ERG High Schools	State High Schools
% of Students Retained in Grade after 2001-02 School Year	0.5	2.7	5.2
Teacher Attendance, 2001-02: Average # of Days Absent Due to Illness or Personal Time	5.5	6.4	8.0
% Certified Staff Assigned to Same School the Previous Year	83.7	86.3	85.4

Types of Supplemental Instructional Services Provided to Students Lacking Basic Skills	Available in Mathematics	Available in Language Arts
Pull-out Remedial Instruction	Yes	Yes
In-Class Tutorial	Yes	Yes
After School Program	Yes	Yes
Summer School (2002)	No	No
Other	Yes	Yes



% Juniors and Seniors Enrolled in a Course or Courses for College Credit	School	ERG High Schools	State High Schools
During the 2001-02 School Year	39.5	29.9	24.7
During the 1997-98 School Year	22.6	24.8	16.8

Advanced Placement Courses	School	ERG High Schools	State High Schools
Number of Courses for which Students were Tested	5	8.2	9.7
% of Grade 12 Students Tested	1.4	20.0	17.2
% of Exams Scored 3 or More*	100.0	80.4	72.3

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

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



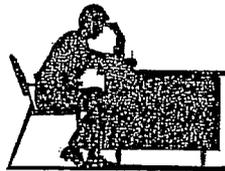
Total Number of Credits Required for Graduation	School	ERG	State Requirement
Required for Class of 2002	22.0	22.9	20.0

% of Class of 2002 Graduates who Earned Credit in Selected Subjects	School	ERG High Schools	State High Schools
Algebra I or Equivalent	55.0	91.2	89.5
Chemistry	63.1	72.3	66.6
4 or More Credits in Mathematics	31.5	63.1	60.5
3 or More Credits in Science	62.3	83.3	84.0
4 or More Credits in Social Studies	53.5	46.6	46.8
Credit for Level 3 or Higher in the Same World Language	55.8	65.1	56.2
2 or More Credits in Vocational Education	67.7	55.7	59.0
2 or More Credits in the Arts	39.6	50.4	40.1

### STUDENT PERFORMANCE

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

Conn. Academic Performance Test, 2 <sup>nd</sup> Gen. % Grade 10 Meeting State Goal	School 2000-01	School 2002-03	ERG 2002-03	State 2002-03
Reading Across the Disciplines	55	N/A	N/A	N/A
Writing Across the Disciplines	64	N/A	N/A	N/A
Mathematics	62	N/A	N/A	N/A
Science	56	N/A	N/A	N/A
All Four Tests	34.3	N/A	N/A	N/A
Participation Rate	91.0	N/A	N/A	N/A



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

SAT <sup>®</sup> I: Reasoning Test	Class of 1997		Class of 2002	
	School	School	ERG	State
% of Graduates Tested	74.9	77.3	83.2	76.8
Mathematics: Average Score	546	549	532	503
Mathematics: % Scoring 600 or More	35.7	35.3	27.7	22.3
Verbal: Average Score	551	554	532	502
Verbal: % Scoring 600 or More	36.4	34.3	26.7	20.4

Student Attendance	School	ERG HS	State HS
% on October 1, 2002	95.7	96.3	94.0

Physical Fitness, Grade 10 	School	ERG	State
% Passing All 4 Tests	46.6	46.6	38.7

Dropout Rates	School	ERG	State
Cumulative Four-Year Rate for Class of 2002	4.6	5.1	10.8
2001-02 Annual Rate for Grade 9 through 12	1.3	1.4	2.4
1996-97 Annual Rate for Grades 9 through 12	2.2	1.9	3.9

Class of 2001: Number of National Merit Scholarship Semi-Finalists: 1



Activities of Graduates	Class of	School	ERG	State
% Attending Two- or Four-Year Colleges	2002	74.6	81.8	76.8
	1997	73.8	77.2	72.2
% Employed or in Military	2002	3.1	11.5	16.3
	1997	23.0	16.9	18.6

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**EVIDENCE OF SUSTAINED IMPROVEMENT IN STUDENT ACCOMPLISHMENTS**

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

Over time, E.O. Smith High School students have consistently scored significantly above the state and national averages on the Scholastic Aptitude Test (SAT).

The class of 2003 performed admirably on the Scholastic Aptitude Test (SAT). Overall results indicate that 80% of the class took the SAT. The percentage of students taking the test increased from the previous year. The district's mean verbal score was 551, which was 39 points above the state mean verbal score of 512. District students did equally well in the mathematics area of the test. The district's score of 555 was 36 points above the state average.

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**SUPPLEMENTAL SCHOOL INFORMATION**

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

The class of 2003 had one National Merit Finalist and seven commended students. One student was recognized as a National Hispanic Scholar.

Faculty members teach a total of 18 University of Connecticut co-op courses. Approximately 50 students each semester takes courses on the University of Connecticut campus after exhausting E.O. Smith's curriculum. 131 students earned a collective total of 1,230 University of Connecticut credits during the 2002-2003 school year.

The district was awarded a \$10,000 school improvement grant to improve services for "at risk" students.

Seven Smith students were recognized for "outstanding community service." Each received a \$100 savings bond from People's Bank.

Forty sports teams were offered to students, 20 boys' teams and 20 girls' teams.

The E.O. Smith football, girls' cross country and boys' volleyball teams were conference champions (CCC) and went on to compete in post-season tournament competition.

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

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**State  
Single  
Audit**

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**REGIONAL SCHOOL DISTRICT NO. 19**

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

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM IDENTIFICATION PROGRAM	STATE PROJECT NUMBER	EXPENDITURES
<b><u>STATE DEPARTMENT OF EDUCATION:</u></b>			
Educational Technology Infrastructure.....	1873-7001-013	013-00000101	\$ 30,614
Vocational Agriculture.....	0-7001-704	704-00000154	75,063
Adult Education.....	0-7001-710	710-000330145	34,038
Magnet Schools.....	0-7001-752	752-000010001	<u>2,400</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....</b>			<u><u>142,115</u></u>
<b><u>EXEMPT PROGRAMS:</u></b>			
<b><u>STATE DEPARTMENT OF EDUCATION:</u></b>			
Public School Transportation.....	0-7001-709	709-000010001	282,639
Special Education: Agency Placement and Excess Costs.....	0-7001-733	733-000000156	109,968
Special Education: Agency Placement and Excess Costs.....	0-7001-733	733-000000158	13,733
Special Education: Agency Placement and Excess Costs.....	0-7001-733	733-000000166	20,444
School Construction Projects - Principal.....	0-7001-010	010-000000001	1,163,574
School Construction Projects - Interest.....	0-7001-010	010-000000151	893,813
School Construction Progress Payments.....	0-7001-010	010-000001001	<u>17,095</u>
<b>TOTAL EXEMPT PROGRAMS.....</b>			<u><u>2,501,266</u></u>
<b>TOTAL STATE FINANCIAL ASSISTANCE.....</b>			<u><u>\$ 2,643,381</u></u>

See note to Schedule of Expenditure of State Financial Assistance

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Regional School District No. 19 conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to state financial assistance.

**Basis of Presentation**

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

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

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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Summary Schedule of Prior Audit Findings

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

**REGIONAL SCHOOL DISTRICT NO. 19**

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

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**I. SUMMARY OF AUDIT RESULTS**

- We audited the basic financial statements of the Regional School District No. 19 as of and for the year ended June 30, 2003 and issued our unqualified report thereon dated February 3, 2004.
- We have also issued our unqualified opinion dated February 3, 2004, on the Regional School District No. 19's Schedule of Expenditures of State Financial Assistance in relation to the basic financial statements taken as a whole.
- The audit disclosed no reportable conditions in internal control over major State programs.
- We have issued an unqualified opinion relating to compliance for major State programs.
- The audit disclosed no audit findings.
- The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
STATE DEPARTMENT OF EDUCATION:		
Vocational Agriculture	0-7001-704	\$ 75,063

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

- We issued our report dated February 3, 2004, on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no reportable conditions.

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

- There were no findings or questioned costs.



**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

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

Board of Education  
Regional School District No. 19

We have audited the basic financial statements of the Regional School District No. 19, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 3, 2004



**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

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

Board of Education  
Regional School District No. 19

Compliance

We have audited the compliance of the Regional School District No. 19 with the types of compliance requirements described in the Office of Policy and Management Compliance Supplement that are applicable to each of its major state programs for the year ended June 30, 2003. The major state programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Region's management. Our responsibility is to express an opinion on compliance based on our audit.

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

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

Internal Control Over Compliance

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

Regional School District No. 19  
Page Two

Internal Control Over Compliance (Continued)

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

Schedule of Expenditures of State Financial Assistance

We have audited the basic financial statements of the Region as of and for the year ended June 30, 2003, and have issued our report thereon dated February 3, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Kostin, Ruffkess & Company, LLC*

Farmington, Connecticut  
February 3, 2004