

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

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

FOR THE YEAR ENDED

JUNE 30, 2008

**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, 2008
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Introductory Section

REGIONAL 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

December 17, 2008

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, 2008.

This report consists of management's representations concerning the finances of the District. 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 District 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 District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District'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 District'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 District for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District 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 District's MD&A can be found immediately following the report of the independent auditors.

General Description - The District

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

The District'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 District in 1993.

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

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

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

The District presently serves all of the public school population within the member towns in Grades 9 through 12. The total enrollment for the school year 2007-2008 was 1,192. A full range of educational opportunities is offered, including a vocational agriculture program. Project enrollment for 2009 is 1,169.

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.

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 District 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.

Local Economy

Because the District is located in the Town of Mansfield, the home of the University of Connecticut, the local economy tends to remain more stable than other areas in the State and Nation. 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 area is less impacted by general economic conditions, and there is no reason to believe that will change any time in the immediate future.

Long-Term Financial Planning

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

Major Initiatives

The Regional School District completed the expansion and renovation of the vacant Reynolds School on Depot Road. The new school, E. O. Smith High School at the Depot Campus, opened its doors to students in May 2008. The school has been designed to provide a 'non-traditional educational experience' for students who have demonstrated the need for a smaller and more personal instructional setting. The school's course of studies will include all requirements for graduation established by the Regional School District #19 Board of Education. Through the use of a very different teaching and curricular model, students will be submersed in a true "community of learners" that has its roots in the "new" three R's of the small school movement: 'Relationships, Relevance and Rigor.'

The next major initiative the Regional School District is planning for is the upgrade of the athletic facilities. The proposed athletic facility renovation includes replacing the running track, installing a synthetic multi-game field and resurfacing the tennis courts. The project also includes irrigation at Farrell Fields

Relevant Financial Policies

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

Awards and 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, 2007. 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.

Awards and Acknowledgements

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

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.

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)

CAPITAL IMPROVEMENTS PERFORMANCE GOALS (CONTINUED)

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

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

DEBT PERFORMANCE GOALS

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

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

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

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

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

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

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

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

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

INVESTMENT PERFORMANCE GOALS

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

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

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

REGIONAL SCHOOL DISTRICT NO. 19

LIST OF PRINCIPAL OFFICIALS

BOARD OF EDUCATION

Francis Archambault, Chairperson

Herbert Arico

Janice Chamberlain

Robert Jellen

Therese John

Frank Krasicki

Robert Kremer

Elizabeth McCosh-Lilie

Elizabeth Peczuh

Deborah Potvin

William Ryan

Michael Sibiga

Bruce W. Silva
Superintendent

Louis DeLoreto
Principal

Sheila A. Riffle
Assistant Principal

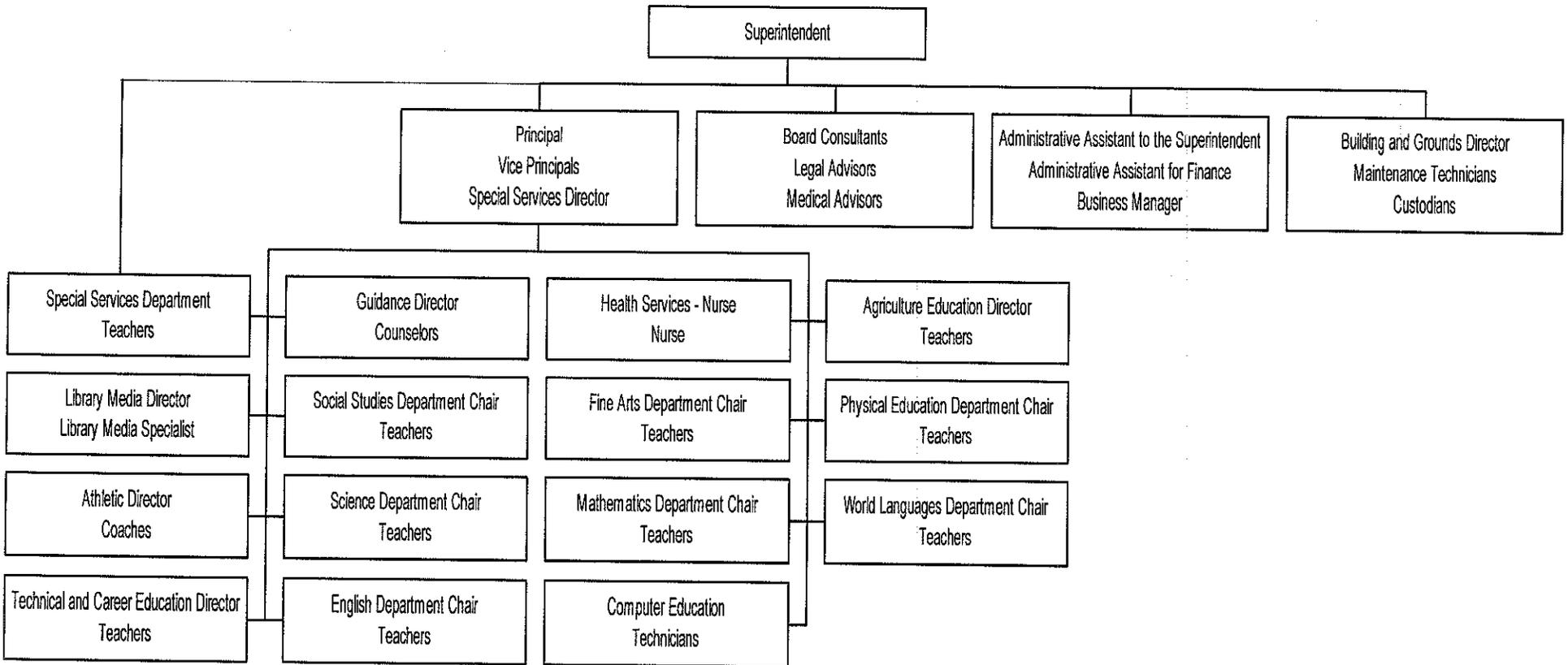
Frank Cronin
Assistant Principal

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, 2007

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Financial Section



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Springfield, MA

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Business Advisors and Certified Public Accountants

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, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School District No. 19, as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis on pages 14 through 20 is not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Regional School District No. 19
Page Two

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 17, 2008

Bruce W. Silva
Superintendent

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

Management of the Regional School District No. 19 (the "District"), offers readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$38,299,595 (*net assets*). Of this amount, \$14,645,476 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$907,334 substantially due to capital asset additions in excess of depreciation.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of a deficit of \$(69,505), a decrease of \$227,788 in comparison with the prior year. Unreserved fund balances at June 30, 2008 was a deficit of \$(646,286).
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$1,533. State law prohibits Regional School Districts from accumulating a fund balance in the general fund.
- The District's total long-term obligations decreased by \$1,674,737 (9.7%) during the current fiscal year due to scheduled debt service payments.

Overview of the Basic Financial Statements

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District'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 District'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 District 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, capital projects fund and the debt service fund, which are considered to be major funds. Data from the other three 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 District adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. (Exhibit F)

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

The basic fiduciary fund financial statements can be found on Exhibits G and H.

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$38,299,595 at the close of the most recent fiscal year.

The largest portion of the District's net assets (60.5%) 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 District 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 District'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**

	2008	2007
Current and other assets.....	\$ 17,094,829	\$ 19,492,692
Capital assets.....	40,639,780	39,421,440
Total assets.....	57,734,609	58,914,132
Long-term liabilities outstanding.....	15,693,382	17,484,647
Other liabilities.....	3,741,632	4,037,224
Total liabilities.....	19,435,014	21,521,871
Net assets:		
Invested in capital assets, net of related debt.....	23,187,403	20,467,988
Restricted.....	466,716	2,344,595
Unrestricted.....	14,645,476	14,579,678
TOTAL NET ASSETS.....	\$ 38,299,595	\$ 37,392,261

An additional portion of the District's net assets (1.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$14,645,476) may be used to meet the District's ongoing obligations to citizens and creditors.

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

Governmental activities. The District's net assets increased by \$907,334 during the current fiscal year. This was substantially as result of capital asset additions in excess of depreciation expense.

REGIONAL SCHOOL DISTRICT NO. 19
CHANGE IN NET ASSETS

	2008	2007
<u>REVENUES:</u>		
Program revenues:		
Charges for services.....	\$ 767,381	\$ 688,052
Operating grants and contributions.....	5,405,481	1,696,707
Capital grants and contributions.....	2,073,567	
General revenues:		
Assessment to member towns.....	16,412,434	15,910,830
Investment income.....	17,082	37,887
Miscellaneous.....	524	2,926
TOTAL REVENUES.....	24,676,469	18,336,402
<u>EXPENSES:</u>		
Instructional programs.....	13,778,521	10,657,274
Guidance services.....	1,551,446	1,151,803
Curriculum development.....	298,463	162,545
Educational media.....	250,417	262,593
General administration.....	5,105,978	4,166,758
Student activities.....	648,572	542,114
Transportation.....	1,301,654	1,130,921
Interest expense.....	834,084	903,406
TOTAL EXPENSES.....	23,769,135	18,977,414
CHANGE IN NET ASSETS.....	907,334	(641,012)
NET ASSETS - JULY 1.....	37,392,261	38,033,273
NET ASSETS - JUNE 30.....	\$ 38,299,595	\$ 37,392,261

The significant changes in revenues were as follows:

Operating grants and contributions increased by \$3,708,774. The most significant increase was related to the in-kind contribution from the State of Connecticut for the State Teachers' Retirement Board, which increased \$3,597,063. The balance of the increase was due to increases in state funding for education. Capital grants and contributions increased by \$2,073,567 due to school progress payments received for the school renovation project at the Depot Campus. Assessment to member towns increased by \$501,604 primarily due to an increase in salaries and benefits for both instruction and administration.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The significant changes in expenses were as follows:

The significant increases in expenses for instructional programs of \$3,121,297 was primarily due to the increase in the contribution to the State Teachers' Retirement Board (\$2,798,422) and increases in salaries and benefits; guidance services of \$399,643 was also due to the increase in the contribution to the State Teachers' Retirement Board (\$380,372); and general administration of \$939,220 also primarily due to the contribution to the State Teachers' Retirement (\$766,244) as well as increases in legal costs, salaries and benefits.

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

Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of a deficit of \$69,505, a decrease of \$227,788 in comparison with the prior year. The unreserved and undesignated amount was a deficit balance of \$646,286. 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 (\$110,065), 2) to pay debt service (\$464,491), or 3) to pay construction commitments (\$2,225).

The general fund is the operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,533. State Law provides that any unreserved and undersigned 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 District's general fund decreased by \$116,270 during the current fiscal year. The key factors in this decrease were the appropriation of fund balance from the prior year of \$94,730 and the liquidation of prior year encumbrances.

The debt service fund has a total fund balance of \$464,41, 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 \$73,736.

The capital projects fund has a total deficit fund balance of \$892,644, of which \$2,225 was reserved for commitments. The net decrease in fund balance during the year was \$152,727.

General Fund Budgetary Highlights

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

- \$131,295 decrease in instruction is primarily due to the decrease in tuition payments for out-placed students
- \$159,802 increase in general administration is due to legal costs and professional & technical services related to special education
- \$42,211 increase in student activities is for transportation costs for the athletic program

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2008, amounts to \$40,639,780 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings and equipment. The District's additions in capital assets for the current fiscal year were \$2,163,295. This was offset by depreciation expense of \$944,955 so that the District's investment in capital assets increased from \$39,421,440 to \$40,639,780 or by \$1,218,340.

The only significant capital assets activity for the year was construction in progress of \$2,104,217 mostly related to the school renovation project.

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

	<u>2008</u>	<u>2007</u>
Land.....	\$ 858,508	\$ 858,508
Construction in progress.....	2,781,731	677,514
Buildings.....	35,592,689	36,428,967
Improvements other than buildings.....	977,487	1,014,982
Equipment.....	429,365	441,469
TOTAL.....	\$ 40,639,780	\$ 39,421,440

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

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$17,955,000. The entire amount is backed by the full faith and credit of the member towns of Ashford, Mansfield and Willington.

REGIONAL SCHOOL DISTRICT NO. 19 LONG-TERM OBLIGATIONS

	<u>2008</u>	<u>2007</u>
General obligation bonds and related liabilities	\$17,452,377	\$19,127,114
Compensated absences	107,506	103,166
TOTALS	\$17,559,883	\$19,230,280

The District's total long-term liabilities decreased by \$1,670,397 (8.7%) during the current fiscal year. The key factor in this decrease was scheduled annual principal payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The District 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 District is \$90,643,671, which is significantly in excess of the District's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The District's only school is E.O. Smith High School. The District and its member towns is the beneficiary of the University of Connecticut being located in Mansfield. With over 4,000 employees, the University is the major employer for the member towns. This has a positive effect on employment rates regardless of the business cycle. However, the recent significant downturn in the economy is now having an impact on local unemployment.

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

2008 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>
2003	4.6%	2.5%	4.1%	5.9%	5.5%	6.0%
2004	3.7	3.4	3.7	5.2	4.9	5.5
2005	4.0	3.9	3.8	5.1	4.9	5.1
2006	3.7	3.8	3.1	4.4	4.3	4.5
2007	3.9	4.0	3.4	4.7	5.0	4.6
January	5.0	3.9	4.4	5.4	4.8	4.9
February	4.9	3.9	4.4	5.6	5.0	4.8
March	5.1	3.9	4.2	5.7	5.3	5.1
April	4.0	3.6	3.2	4.6	4.7	5.0
May	4.7	4.5	3.7	5.4	5.4	5.5
June	5.1	5.3	4.5	5.7	5.5	5.5

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

The budget for fiscal year 2009 was adopted on May 6, 2008. This budget required an increase to the member towns of \$954,236 or 5.8%. However, because of changes in the number of students sent from each town, the actual increases were: Ashford \$17,980 (0.5%), Mansfield \$807,892 (8.7%), and Willington (\$128,364) (3.5%).

Requests for Information

This financial report is designed to provide a general overview of the District'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.

Basic Financial Statements

REGIONAL SCHOOL DISTRICT NO. 19

EXHIBIT A

STATEMENT OF NET ASSETS
JUNE 30, 2008

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 681,186
Investments.....	561,668
Receivables:	
Accounts.....	6,413
Intergovernmental.....	2,283,585
Total current assets.....	<u>3,532,852</u>
Noncurrent assets:	
Intergovernmental receivable.....	<u>13,404,102</u>
Other.....	<u>157,875</u>
Capital assets (net of accumulated depreciation):	
Land.....	858,508
Construction in progress.....	2,781,731
Buildings.....	35,592,689
Improvements other than buildings.....	977,487
Equipment.....	<u>429,365</u>
Total capital assets (net of accumulated depreciation).....	<u>40,639,780</u>
Total noncurrent assets.....	<u>54,201,757</u>
TOTAL ASSETS.....	<u>57,734,609</u>
<u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Cash overdraft.....	683,512
Accounts payable.....	342,489
Accrued liabilities.....	786,085
Accrued interest payable.....	52,125
Unearned revenue.....	10,920
Bonds payable.....	1,845,000
Compensated absences.....	<u>21,501</u>
Total current liabilities.....	<u>3,741,632</u>
Noncurrent liabilities:	
Bonds and related liabilities.....	15,607,377
Compensated absences.....	<u>86,005</u>
Total noncurrent liabilities.....	<u>15,693,382</u>
TOTAL LIABILITIES.....	<u>19,435,014</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	23,187,403
Restricted for:	
Debt service.....	464,491
Commitments.....	2,225
Unrestricted.....	<u>14,645,476</u>
TOTAL NET ASSETS.....	<u>\$ 38,299,595</u>

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

REGIONAL SCHOOL DISTRICT NO. 19

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
Instructional programs.....	\$ 13,778,521	\$ 767,381	\$ 3,648,113	\$	\$ (9,363,027)
Guidance services.....	1,551,446		380,372		(1,171,074)
Curriculum development.....	298,463		168,819		(129,644)
Educational media.....	250,417				(250,417)
General administration.....	5,105,978		766,244	2,073,567	(2,266,167)
Student activities.....	648,572				(648,572)
Transportation.....	1,301,654		441,933		(859,721)
Interest expense.....	834,084				(834,084)
TOTAL GOVERNMENTAL ACTIVITIES...	\$ 23,769,135	\$ 767,381	\$ 5,405,481	\$ 2,073,567	\$ (15,522,706)
GENERAL REVENUES:					
Assessment to member towns (unrestricted).....					\$ 16,412,434
Investment income.....					17,082
Miscellaneous.....					524
TOTAL GENERAL REVENUES.....					16,430,040
CHANGE IN NET ASSETS.....					907,334
NET ASSETS - JULY 1, 2007.....					37,392,261
NET ASSETS - JUNE 30, 2008.....					\$ 38,299,595

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

REGIONAL SCHOOL DISTRICT NO. 19

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	GENERAL	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash.....	\$ 12,950	\$ 464,491	\$	\$ 203,745	\$ 681,186
Investments.....	561,668				561,668
Receivables:					
Accounts.....	6,413				6,413
Intergovernmental.....			377,480	126,754	504,234
Due from other funds.....	1,239,965				1,239,965
TOTAL ASSETS.....	\$ 1,820,996	\$ 464,491	\$ 377,480	\$ 330,499	\$ 2,993,466
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Cash overdraft.....	\$ 683,512	\$	\$	\$	\$ 683,512
Accounts and other payables.....	239,801		86,875	15,813	342,489
Accrued liabilities.....	786,085				786,085
Due to other funds.....			1,183,249	56,716	1,239,965
Deferred and unearned revenue.....				10,920	10,920
TOTAL LIABILITIES.....	1,709,398	-	1,270,124	83,449	3,062,971
FUND BALANCES:					
Reserved for:					
Encumbrances.....	110,065				110,065
Debt service.....		464,491			464,491
Commitments.....			2,225		2,225
Unreserved, reported in:					
General fund.....	1,533				1,533
Special revenue funds.....				247,050	247,050
Capital projects funds.....			(894,869)		(894,869)
TOTAL FUND BALANCES.....	111,598	464,491	(892,644)	247,050	(69,505)
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,820,996	\$ 464,491	\$ 377,480	\$ 330,499	\$ 2,993,466

(Continued)

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

REGIONAL SCHOOL DISTRICT NO. 19

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

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

TOTAL FUND BALANCES (EXHIBIT C, PAGE 1).....	\$	(69,505)
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets.....		39,421,440
Current year additions.....		2,163,295
Depreciation expense.....		(944,955)

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

School building grant receivable.....		15,183,453
Other.....		157,875

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

Bonds payable.....		(17,955,000)
Bond premium.....		(133,377)
Deferred charge on refunding.....		636,000
Compensated absences.....		(107,506)
Accrued interest payable.....		(52,125)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>38,299,595</u>
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(Concluded)

REGIONAL SCHOOL DISTRICT NO. 19

EXHIBIT D

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

	GENERAL	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Assessment to member towns.....	\$ 16,412,434	\$	\$	\$	\$ 16,412,434
Intergovernmental.....	4,685,157	1,742,792	2,073,567	716,544	9,218,060
Charges for services.....	437,468			329,913	767,381
Investment income.....	5,512	11,470		100	17,082
Contribution.....				3,780	3,780
Other.....				524	524
TOTAL REVENUES.....	21,540,571	1,754,262	2,073,567	1,050,861	26,419,261
EXPENDITURES:					
Current:					
Instructional programs.....	8,542,943			1,004,353	9,547,296
Guidance services.....	945,671				945,671
Curriculum development.....	53,149				53,149
Educational media.....	249,624				249,624
General administration.....	3,101,695				3,101,695
Student activities.....	639,391				639,391
Transportation.....	1,131,879				1,131,879
Employee benefits.....	6,045,349			83,703	6,129,052
Debt service.....		2,497,998			2,497,998
Capital outlay.....			2,351,294		2,351,294
TOTAL EXPENDITURES.....	20,709,701	2,497,998	2,351,294	1,088,056	26,647,049
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	830,870	(743,736)	(277,727)	(37,195)	(227,788)
OTHER FINANCING SOURCES (USES):					
Transfers in.....		670,000	125,000	152,140	947,140
Transfers out.....	(947,140)				(947,140)
NET OTHER FINANCING SOURCES (USES).....	(947,140)	670,000	125,000	152,140	-
NET CHANGE IN FUND BALANCES.....	(116,270)	(73,736)	(152,727)	114,945	(227,788)
FUND BALANCES - JULY 1, 2007.....	227,868	538,227	(739,917)	132,105	158,283
FUND BALANCES - JUNE 30, 2008.....	\$ 111,598	\$ 464,491	\$ (892,644)	\$ 247,050	\$ (69,505)

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, 2008**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D).....	\$ (227,788)
<p>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:</p>	
Capital outlay.....	2,163,295
Depreciation expense.....	<u>(944,955)</u>
Total	<u>1,218,340</u>
<p>Revenues recognized in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:</p>	
School building grant receipts.....	<u>(1,742,792)</u>
<p>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:</p>	
Principal repayments:	
General obligation bonds.....	<u>1,725,000</u>
<p>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:</p>	
Compensated absences.....	(4,340)
Accrued interest payable.....	4,964
Amortization of bond premium.....	13,337
Amortization of deferred charges on refunding.....	(63,600)
Other.....	<u>(15,787)</u>
Total	<u>(65,426)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ 907,334</u>

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

REGIONAL SCHOOL DISTRICT NO. 19

EXHIBIT F

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Assessment to member towns.....	\$ 16,412,434	\$ 16,412,434	\$ 16,412,434	\$ -
Intergovernmental.....	371,500	371,500	454,100	82,600
Charges for services.....	504,930	504,930	437,468	(67,462)
Investment income.....	20,000	20,000	5,512	(14,488)
TOTAL REVENUES.....	17,308,864	17,308,864	17,309,514	650
EXPENDITURES:				
Current:				
Instructional programs.....	8,623,550	8,492,255	8,492,255	-
Guidance services.....	952,580	944,058	944,058	-
Curriculum development.....	43,930	52,159	52,159	-
Educational media.....	265,150	249,624	249,624	-
General administration.....	2,968,990	3,128,792	3,128,138	654
Student activities.....	601,180	643,391	643,391	-
Transportation.....	1,154,120	1,131,879	1,131,879	-
Employee benefits.....	1,846,950	1,814,292	1,814,292	-
TOTAL EXPENDITURES.....	16,456,450	16,456,450	16,455,796	654
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	852,414	852,414	853,718	1,304
OTHER FINANCING SOURCES (USES) :				
Appropriation of fund balance.....	94,726	94,726		(94,726)
Transfers out.....	(947,140)	(947,140)	(947,140)	-
NET OTHER FINANCING SOURCES (USES).....	(852,414)	(852,414)	(947,140)	(94,726)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	(93,422)	\$ (93,422)
FUND BALANCE - JULY 1, 2007.....			94,955	
FUND BALANCE - JUNE 30, 2008.....			<u>\$ 1,533</u>	

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

REGIONAL SCHOOL DISTRICT NO. 19

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	MEMORIAL SCHOLARSHIP PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
<hr/>		
<u>ASSETS</u>		
Cash.....	\$ 3,779	\$ 421,058
Accounts receivable.....		756
TOTAL ASSETS.....	<hr/> 3,779	<hr/> 421,814
<u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....		<hr/> 421,814
<u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR ENDOWMENTS.....	<hr/> \$ 3,779	<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, 2008

	MEMORIAL SCHOLARSHIP PRIVATE PURPOSE TRUST FUND
<hr/>	
ADDITIONS:	
Investment income:	
Interest and dividends.....	\$ 53
NET ASSETS - JULY 1, 2007.....	<u>3,726</u>
NET ASSETS - JUNE 30, 2008.....	<u>\$ 3,779</u>

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

REGIONAL SCHOOL DISTRICT NO. 19NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**HISTORY AND ORGANIZATION**

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

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

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

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds do not have a measurement focus, but are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds report only assets and liabilities and use the accrual basis of accounting to recognize receivables and payables.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The District reports the following major governmental funds:

The *General Fund* is the District'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.

The *Capital Projects Fund* accounts for the acquisition, construction or renovation of major capital facilities and other capital; related purchases.

Additionally, the District reports the following fund types:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, except for any interfund services provided by one fund used by another fund. Elimination of these charges would distort the direct cost and program revenues report for the various functions concerned.

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 District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

1. Investments

Investments - In general, State of Connecticut Statutes allow the District to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital projects fund, not more than 31% can be invested in equity securities.

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

2. Interfunds

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

3. Capital Assets

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

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

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

Property, plant, and equipment of the District 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

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)

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.

5. Long-Term Obligations

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

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

6. Fund Equity and Net Assets

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

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

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

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)

7. Estimates

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

8. Comparative Data/Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- The District 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 District 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.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- 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 District 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 District 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.
- The Board does not have the authority to expend beyond the total budget appropriation without District 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, 2008	\$ 17,309,514	\$ 16,455,796	\$ 1,533
Encumbrances outstanding at June 30, 2007 liquidated during the year ended June 30, 2008		132,913	
Encumbrances outstanding at June 30, 2008 charged to budgetary expenditures during the year ended June 30, 2008		(110,065)	110,065
State Teachers' Retirement on-behalf payment	4,231,057	4,231,057	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2008	<u>\$ 21,540,571</u>	<u>\$ 20,709,701</u>	<u>\$ 111,598</u>

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

III. DETAILED NOTES

A. Cash and Investments

1. Deposits - Custodial Credit Risk - Custodial credit risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2008, \$587,072 of the District's bank balance of \$690,851 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 518,365
Uninsured and collateral held by the pledging bank's trust department, not in the District's name	<u>68,707</u>
Total amount subject to custodial credit risk.....	<u>\$ 587,072</u>

2. Investments - At June 30, 2008, the District's investments consisted of the following:

TYPE OF INVESTMENT	<u>INVESTMENT MATURITIES</u> (IN YEARS)	
	<u>FAIR VALUE</u>	<u>LESS THAN 1 YEAR</u>
Pooled fixed income funds.....	\$ 560,870	\$ 560,870
Money market mutual funds	<u>798</u>	<u>798</u>
TOTAL.....	<u>\$ 561,668</u>	<u>\$ 561,668</u>

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

Credit risk - The District has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision. The District's investments in pooled fixed income were rated AAA by Standard & Poor's and the money market mutual funds were unrated.

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2008, the District had no investments subject to custodial credit risk.

B. Receivables

Receivables as of year end for the District's government-wide financial statements are as follows:

INTERGOVERNMENTAL GRANTS RECEIVABLE:	
Collectible within one year.....	\$ 2,283,585
Collectible in more than one year	<u>13,404,102</u>

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

III. DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

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, *unearned revenue* reported in the governmental funds was as follows:

UNEARNED REVENUE:

Grant draw downs prior to meeting all eligibility requirements (special revenue fund)	\$ 10,920
--	-----------

C. Capital Assets

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

	<u>BALANCE</u> <u>JULY 1, 2007</u>	<u>INCREASES</u>	<u>BALANCE</u> <u>JUNE 30, 2008</u>
<u>Capital Assets, not being Depreciated:</u>			
Land	\$ 858,508	\$	\$ 858,508
Construction in progress	677,514	2,104,217	2,781,731
Total Capital Assets, not being Depreciated ...	<u>1,536,022</u>	<u>2,104,217</u>	<u>3,640,239</u>
<u>Capital Assets, being Depreciated:</u>			
Buildings	44,273,539		44,273,539
Improvements other than buildings	1,687,277		1,687,277
Equipment	868,665	59,078	927,743
Total Capital Assets, being Depreciated	<u>46,829,481</u>	<u>59,078</u>	<u>46,888,559</u>
Total Capital Assets	<u>48,365,503</u>	<u>2,163,295</u>	<u>50,528,798</u>
<u>Less Accumulated Depreciation for:</u>			
Buildings	7,844,572	836,278	8,680,850
Improvements other than buildings	672,295	37,495	709,790
Equipment	427,196	71,182	498,378
Total Accumulated Depreciation	<u>8,944,063</u>	<u>944,955</u>	<u>9,889,018</u>
Total Capital Assets, being Depreciated, net ..	<u>37,885,418</u>	<u>(885,877)</u>	<u>36,999,541</u>
Governmental Activities Capital Assets, net...	<u>\$ 39,421,440</u>	<u>\$ 1,218,340</u>	<u>\$ 40,639,780</u>

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

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

<u>Governmental Activities:</u>	
Instructional programs	\$ 31,980
Guidance services	19,079
Curriculum development	765
Educational media	793
General administration	889,505
Student activities	<u>2,833</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>944,955</u>

Construction Commitments

At June 30, 2008, the Town had \$2,225 contract commitments for Depot Road Campus.

D. Interfund Accounts

1. Interfund Payables and Receivables

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

	CORRESPONDING FUND	DUE FROM	DUE TO
MAJOR FUND:			
GENERAL FUND:			
Other operating fund	N/A	\$ 28,358	\$
Education grants fund	N/A	28,358	
Capital projects fund	N/A	<u>1,183,249</u>	
TOTAL GENERAL FUND		<u>1,239,965</u>	-
CAPITAL PROJECTS FUND	General Fund		<u>1,183,249</u>
NONMAJOR FUNDS:			
SPECIAL REVENUE FUND:			
Other operating fund	General Fund		28,358
Education grants fund	General Fund		<u>28,358</u>
TOTAL SPECIAL REVENUE FUND		-	<u>56,716</u>
GRAND TOTAL		<u>\$ 1,239,965</u>	<u>\$ 1,239,965</u>

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

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

III. DETAILED NOTES (CONTINUED)

2. Interfund Transfers

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

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
MAJOR FUNDS:			
GENERAL FUND:			
Debt service	N/A	\$	\$ 670,000
Capital projects fund.....	N/A		125,000
Other operating fund.....	N/A		48,500
Workers' compensation fund	N/A		<u>103,640</u>
TOTAL GENERAL FUND.....		-	<u>947,140</u>
DEBT SERVICE FUND	General Fund	<u>670,000</u>	
CAPITAL PROJECTS FUND:			
General fund.....	N/A	<u>125,000</u>	
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Other operating fund.....	General Fund	48,500	
Workers' compensation fund	General Fund	<u>103,640</u>	
TOTAL NONMAJOR FUNDS.....		<u>152,140</u>	
GRAND TOTAL		<u>\$ 947,140</u>	<u>\$ 947,140</u>

Transfers are used to account for the financing by the general fund of various program and activities in other funds, such as funding debt service, workers' compensation and capital projects.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations

1. Summary of Changes

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE			BALANCE	
					JULY 1, 2007	ADDITIONS	DEDUCTIONS	JUNE 30, 2008	CURRENT PORTION
BONDS									
Schools:									
Improvement bond	\$ 10,000,000	01/01/99	06/15/18	3.85 - 5.85%	\$ 6,675,000	\$	\$ 500,000	\$ 6,175,000	\$ 550,000
Refunding bond.....	14,805,000	12/15/03	06/15/18	3.0 - 4.5%	13,005,000		1,225,000	11,780,000	1,295,000
TOTAL BONDS					19,680,000	-	1,725,000	17,955,000	1,845,000
Bond premium					146,714		13,337	133,377	
Deferred charge on refunding					(699,600)		(63,600)	(636,000)	
TOTAL BONDS AND RELATED LIABILITIES					19,127,114	-	1,674,737	17,452,377	1,845,000
COMPENSATED ABSENCES					103,166	128,738	124,398	107,506	21,501
TOTAL LONG-TERM OBLIGATIONS					\$19,230,280	\$ 128,738	\$ 1,799,135	\$17,559,883	\$ 1,866,501

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

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

FISCAL YEAR	STATE	NET	STATE	NET	TOTAL		
JUNE 30,	REIMBURSE-	PRINCIPAL	REIMBUR-	INTEREST	NET DEBT		
PRINCIPAL	MENT	PAYMENTS TO	SEMENT	PAYMENTS TO	SERVICE TO		
		MATURITY		MATURITY	MATURITY		
		INTEREST					
2009	\$ 1,845,000	\$ 1,284,573	\$ 560,427	\$ 704,497	\$ 494,777	\$ 209,720	\$ 770,147
2010	1,920,000	1,339,479	580,521	624,224	438,904	185,320	765,841
2011	1,950,000	1,359,910	590,090	559,436	393,364	166,072	756,162
2012	1,970,000	1,373,530	596,470	490,472	344,946	145,526	741,996
2013	1,955,000	1,363,315	591,685	417,555	293,800	123,755	715,440
2014	1,935,000	1,349,694	585,306	343,193	241,636	101,557	686,863
2015	1,920,000	1,339,479	580,521	267,580	188,604	78,976	659,497
2016	1,905,000	1,329,263	575,737	190,267	134,379	55,888	631,624
2017	1,595,000	1,118,144	476,856	111,285	79,001	32,283	509,140
2018	960,000	685,689	274,311	43,109	30,966	12,143	286,454
TOTAL	\$17,955,000	\$12,543,076	\$ 5,411,924	\$ 3,751,618	\$ 2,640,377	\$ 1,111,240	\$ 6,523,164

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

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

Prior Year Advance Refunding

In the prior year, the District has defeased various bond issues by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's financial statements. As of June 30, 2008, the amount of defeased debt outstanding but removed from the District's financial statements amounted to \$3,145,000.

2. Statutory Debt Limitations

The District'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 District's debt limitation is as follows:

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
Schools.....	\$ 90,643,671	\$ 5,967,636	\$ 84,676,035

School building grants receivable of \$12,642,364 including \$99,288 related to the Town of Mansfield debt included in the calculation, for bond principal, are reflected as deductions in the computation of net indebtedness.

3. Authorized/Unissued Bonds

At June 30, 2008, the District had no authorized and unissued bonds.

IV. OTHER INFORMATION

A. Risk Management

The District 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 District 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 District employees are administered by the Town of Mansfield (the Town) on behalf of the Regional School District (the District). 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 2008.

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 \$526,290 for the Fund is based on the requirements of GASB Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of the claim accrual is based on the ultimate costs of settling the claim which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

For the period ended June 30, 2008, the District's General Fund made premium payments into the Fund of \$1,407,696.

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

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

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The District 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 District. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The District 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 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 District 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 District.

The District 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 District'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.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

2. Plan Provisions

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

3. Funding Policy

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

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

YEAR ENDING JUNE 30,	
2006	\$ 88,709
2007	97,161
2008	110,336

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 District's teachers to the Connecticut State Teachers' Retirement System and Connecticut State Employees' Retirement System was \$4,231,057.

E. Subsequent Event

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

Supplemental Schedules

General Fund

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

SCHEDULE 1

REGIONAL SCHOOL DISTRICT NO. 19

GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash.....	\$ 12,950	\$ 12,950
Investments.....	561,668	1,353,069
Accounts receivable.....	6,413	201,627
Due from other funds.....	1,239,965	690,670
TOTAL ASSETS.....	<u>\$ 1,820,996</u>	<u>\$ 2,258,316</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES:		
Cash overdraft.....	\$ 683,512	\$ 1,049,161
Accounts and other payables.....	239,801	308,738
Accrued liabilities.....	786,085	672,549
TOTAL LIABILITIES.....	<u>1,709,398</u>	<u>2,030,448</u>
FUND BALANCES:		
Reserved for encumbrances.....	110,065	132,913
Designated for subsequent year's budget.....		94,726
Unreserved and undesignated.....	1,533	229
TOTAL FUND BALANCES.....	<u>111,598</u>	<u>227,868</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 1,820,996</u>	<u>\$ 2,258,316</u>

REGIONAL SCHOOL DISTRICT NO. 19

SCHEDULE 2

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
<hr/>					
FUND BALANCE - JULY 1, 2007:					
Unreserved and undesignated.....					\$ 229
REVENUES AND APPROPRIATION OF FUND BALANCE.....	\$ 17,403,590	\$ 17,403,590	\$ 17,309,514	\$ (94,076)	
EXPENDITURES AND TRANSFERS OUT.....	17,403,590	17,403,590	17,402,936	654	
NET RESULT FROM BUDGETARY OPERATIONS.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,422)</u>	<u>\$ (93,422)</u>	<u>(93,422)</u>
<hr/>					
FUND BALANCE - JUNE 30, 2008:					
Unreserved.....					
Designated for subsequent current year's budget.....					(93,193)
					<u>94,726</u>
Unreserved and undesignated.....					<u>\$ 1,533</u>

REGIONAL SCHOOL DISTRICT NO. 19

SCHEDULE 3

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
ASSESSMENT TO MEMBER TOWNS:				
Mansfield.....	\$ 9,309,812	\$ 9,309,812	\$ 9,309,812	\$ -
Ashford.....	3,452,270	3,452,270	3,462,215	9,945
Willington.....	3,650,352	3,650,352	3,640,407	(9,945)
TOTAL ASSESSMENT TO MEMBER TOWNS.....	16,412,434	16,412,434	16,412,434	-
INTERGOVERNMENTAL REVENUES:				
Vocational agriculture.....	66,500	66,500	129,367	62,867
School transportation.....	305,000	305,000	324,733	19,733
TOTAL INTERGOVERNMENTAL REVENUES.....	371,500	371,500	454,100	82,600
CHARGES FOR SERVICES:				
Tuition - special education.....	60,000	60,000	61,044	1,044
Tuition - vo-ag.....	444,930	444,930	376,424	(68,506)
TOTAL CHARGES FOR SERVICES.....	504,930	504,930	437,468	(67,462)
INVESTMENT INCOME.....	20,000	20,000	5,512	(14,488)
TOTAL REVENUES.....	17,308,864	17,308,864	17,309,514	650
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	94,726	94,726		(94,726)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 17,403,590	\$ 17,403,590	\$ 17,309,514	\$ (94,076)

REGIONAL SCHOOL DISTRICT NO. 19

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

	ORIGINAL BUDGET	INCREASES (DECREASES) AND TRANSFERS	FINAL BUDGET	EXPENDITURES	VARIANCE WITH FINAL BUDGET
INSTRUCTIONAL PROGRAMS:					
English.....	\$ 993,970	\$ (18,785)	\$ 975,185	\$ 975,185	\$ -
Reading.....	75,350	27	75,377	75,377	-
World languages.....	618,940	(15,086)	603,854	603,854	-
Physical education.....	498,340	(4,705)	493,635	493,635	-
Mathematics.....	852,380	(9,314)	843,066	843,066	-
Science.....	877,540	(16,110)	861,430	861,430	-
Social studies.....	847,820	(11,813)	836,007	836,007	-
Fine arts/art.....	210,360	(3,359)	207,001	207,001	-
Fine arts/music.....	294,780	438	295,218	295,218	-
Information technology.....	225,810	11,055	236,865	236,865	-
Technical and career education management.....	652,370	(3,061)	649,309	649,309	-
Tech prep.....	7,300	(1,105)	6,195	6,195	-
English as a second language.....	73,340	(868)	72,472	72,472	-
Substitute teachers.....	81,000	15,576	96,576	96,576	-
Special education instruction.....	1,371,260	134,104	1,505,364	1,505,364	-
Special education summer program.....	42,500	20,215	62,715	62,715	-
Remedial education.....	53,640	(978)	52,662	52,662	-
Agriculture education.....	395,850	(27)	395,823	395,823	-
Tuition payments.....	422,000	(246,334)	175,666	175,666	-
Depot campus.....	21,380	12,374	33,754	33,754	-
Central service - instructional supplies.....	7,620	6,461	14,081	14,081	-
TOTAL INSTRUCTIONAL PROGRAMS.....	8,623,550	(131,295)	8,492,255	8,492,255	-
GUIDANCE SERVICES:					
Guidance services.....	571,720	670	572,390	572,390	-
Health.....	125,330	3,136	128,466	128,466	-
Psychological services.....	223,660	(11,425)	212,235	212,235	-
Alternative education.....	31,870	(903)	30,967	30,967	-
TOTAL GUIDANCE SERVICES.....	952,580	(8,522)	944,058	944,058	-
CURRICULUM DEVELOPMENT:					
Curriculum development.....	20,800	(6,761)	14,039	14,039	-
Professional development.....	23,130	14,990	38,120	38,120	-
TOTAL CURRICULUM DEVELOPMENT.....	43,930	8,229	52,159	52,159	-
EDUCATIONAL MEDIA.....	265,150	(15,526)	249,624	249,624	-

(Continued)

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

	ORIGINAL BUDGET	INCREASES (DECREASES) AND TRANSFERS	FINAL BUDGET	EXPENDITURES	VARIANCE WITH FINAL BUDGET
GENERAL ADMINISTRATION:					
Board of education.....	\$ 38,200	\$ 5,339	\$ 43,539	\$ 42,885	\$ 654
Superintendent's office.....	204,670	(1,731)	202,939	202,939	-
Special education management.....	300,490	132,554	433,044	433,044	-
Long range planning.....	1,000	17,000	18,000	18,000	-
Ext detention program.....	22,000	(3,827)	18,173	18,173	-
Principals' office services.....	546,630	(22,665)	523,965	523,965	-
Business management.....	250,910	2,743	253,653	253,653	-
Central services.....	290,580	9,347	299,927	299,927	-
Reproduction center - R19.....	93,000	5,344	98,344	98,344	-
Plant operation - buildings.....	1,221,510	15,698	1,237,208	1,237,208	-
TOTAL GENERAL ADMINISTRATION.....	2,968,990	159,802	3,128,792	3,128,138	654
STUDENT ACTIVITIES:					
Student activities.....	104,500	(10,151)	94,349	94,349	-
Athletic program.....	496,680	52,362	549,042	549,042	-
TOTAL STUDENT ACTIVITIES.....	601,180	42,211	643,391	643,391	-
TRANSPORTATION:					
Transportation.....	904,120	(15,004)	889,116	889,116	-
Special education transportation.....	250,000	(7,237)	242,763	242,763	-
TOTAL TRANSPORTATION.....	1,154,120	(22,241)	1,131,879	1,131,879	-
EMPLOYEE BENEFITS.....	1,846,950	(32,658)	1,814,292	1,814,292	-
TOTAL EXPENDITURES.....	16,456,450	-	16,456,450	16,455,796	654
OTHER FINANCING USES:					
Transfers out:					
Special revenue funds:					
Other operating fund.....	48,500		48,500	48,500	-
Workers' compensation fund.....	103,640		103,640	103,640	-
Capital projects.....	125,000		125,000	125,000	-
Debt service fund.....	670,000		670,000	670,000	-
TOTAL OTHER FINANCING USES.....	947,140	-	947,140	947,140	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 17,403,590	\$ -	\$ 17,403,590	\$ 17,402,936	\$ 654

(Concluded)

Capital Projects Fund

The *Capital Projects Fund* accounts for the acquisition, construction or renovation of major capital facilities and other capital; related purchases.

REGIONAL SCHOOL DISTRICT NO. 19

SCHEDULE 5

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

	FISCAL YEAR AUTHORIZED	PROJECT BUDGET	CUMULATIVE PRIOR YEAR PROJECT REVENUES AND OTHER SOURCES	CURRENT YEAR PROJECT REVENUES AND OTHER FINANCING SOURCES	CUMULATIVE PROJECT REVENUES AND OTHER FINANCING SOURCES	VARIANCE WITH PROJECT BUDGET
Storage Space - E.O. Smith	2007-08	\$ 6,000	\$	\$	\$ -	\$ 6,000
Special projects.....	2002-03	198,536	198,536		198,536	-
Renovate Reynolds School.....	2003-04	2,725,000		2,073,567	2,073,567	651,433
Gym entrance doors.....	2005-06	10,000	5,000		5,000	5,000
Language wing flooring.....	2005-06	15,780	7,890		7,890	7,890
Replace VCT flooring.....	2006-07	10,000	10,000		10,000	-
Replace main office carpet.....	2006-07	3,000	3,000		3,000	-
Server Room Air Conditioning.....	2007-08	18,000			-	18,000
Roof Inspection.....	2007-08	3,000			-	3,000
Resurfacing Bathroom Floors.....	2007-08	10,000			-	10,000
Replacement van.....	2005-06	30,000	30,000		30,000	-
Pick Up Truck.....	2007-08	35,000		25,000	25,000	10,000
Replacement furniture.....	2006-07	13,550	13,550		13,550	-
Student lockers.....	2002-03	6,000	6,000		6,000	-
Computer equipment.....	2003-04	500,000	150,000	100,000	250,000	250,000
Bleacher Mover.....	2007-08	3,000			-	3,000
Auditorium Stage Risers.....	2007-08	24,000			-	24,000
Library Furniture.....	2007-08	5,000			-	5,000
Cafeteria Furniture.....	2007-08	10,000			-	10,000
Classroom Furniture.....	2007-08	8,000			-	8,000
Signage.....	2007-08	3,000			-	3,000
TOTALS.....		\$ 3,636,866	\$ 423,976	\$ 2,198,567	\$ 2,622,543	\$ 1,014,323

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REGIONAL SCHOOL DISTRICT NO. 19

SCHEDULE 6

CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - PROJECT BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	FISCAL YEAR AUTHORIZED	PROJECT BUDGET	CUMULATIVE PRIOR YEAR PROJECT EXPENDITURES	CURRENT YEAR PROJECT EXPENDITURES AND TRANSFERS	CUMULATIVE PROJECT EXPENDITURES	VARIANCE WITH PROJECT BUDGET
Storage Space - E.O. Smith	2007-08	\$ 6,000	\$	\$ 6,455	\$ 6,455	\$ (455)
Special projects.....	2002-03	198,536	140,138		140,138	58,398
Renovate Reynolds School.....	2003-04	2,725,000	677,514	2,101,901	2,779,415	(54,415)
Gym entrance doors.....	2005-06	10,000	8,376		8,376	1,624
Language wing flooring.....	2005-06	15,780	4,572		4,572	11,208
Replace VCT flooring.....	2006-07	10,000			-	10,000
Replace main office carpet.....	2006-07	3,000	3,000		3,000	-
Server Room Air Conditioning.....	2007-08	18,000		16,671	16,671	1,329
Roof Inspection.....	2007-08	3,000		1,200	1,200	1,800
Resurfacing Bathroom Floors.....	2007-08	10,000			-	10,000
Replacement van.....	2005-06	30,000	38,022		38,022	(8,022)
Pick Up Truck.....	2007-08	35,000		25,263	25,263	9,737
Replacement furniture.....	2006-07	13,550	5,405	6,864	12,269	1,281
Student lockers.....	2002-03	6,000			-	6,000
Computer equipment.....	2003-04 & 07/08	500,000	286,866	172,924	459,790	40,210
Bleacher Mover.....	2007-08	3,000		2,797	2,797	203
Auditorium Stage Risers.....	2007-08	24,000			-	24,000
Library Furniture.....	2007-08	5,000		3,062	3,062	1,938
Cafeteria Furniture.....	2007-08	10,000		9,301	9,301	699
Classroom Furniture.....	2007-08	8,000		4,006	4,006	3,994
Signage.....	2007-08	3,000		850	850	2,150
TOTALS.....		\$ 3,636,866	\$ 1,163,893	\$ 2,351,294	\$ 3,515,187	\$ 121,679

Nonmajor Governmental Funds

Special Revenue Funds

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

Other Operating Fund

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

Education Grants Fund

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

Workers' Compensation Fund

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

REGIONAL SCHOOL DISTRICT NO. 19

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	SPECIAL REVENUE FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OTHER OPERATING FUND	EDUCATION GRANTS FUND	WORKERS' COMPENSATION FUND	TOTAL	
<u>ASSETS</u>					
Cash.....	\$ 184,337	\$	\$ 19,408	\$ 203,745	\$ 203,745
Receivables:					
Intergovernmental.....	71,574	55,180		126,754	126,754
TOTAL ASSETS.....	\$ 255,911	\$ 55,180	\$ 19,408	\$ 330,499	\$ 330,499
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES:</u>					
Accounts payable.....		15,813	\$	15,813	\$ 15,813
Due to other funds.....	28,358	28,358		56,716	56,716
Deferred and unearned revenue.....		10,920		10,920	10,920
TOTAL LIABILITIES.....	28,358	55,091	-	83,449	83,449
<u>FUND BALANCES:</u>					
Unreserved and undesignated.....	227,553	89	19,408	247,050	247,050
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 255,911	\$ 55,180	\$ 19,408	\$ 330,499	\$ 330,499

REGIONAL SCHOOL DISTRICT NO. 19

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

	SPECIAL REVENUE FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	OTHER OPERATING FUND	EDUCATION GRANTS FUND	WORKERS' COMPENSATION FUND	TOTAL	
REVENUES:					
Intergovernmental.....	\$ 352,427	\$ 364,117	\$ -	\$ 716,544	\$ 716,544
Charges for services.....	329,913			329,913	329,913
Investment income.....	100			100	100
Contribution.....	3,780			3,780	3,780
Other.....	524			524	524
TOTAL REVENUES.....	686,744	364,117	-	1,050,861	1,050,861
EXPENDITURES:					
Current:					
Instructional programs.....	640,236	364,117		1,004,353	1,004,353
Employee benefits.....			83,703	83,703	83,703
TOTAL EXPENDITURES.....	640,236	364,117	83,703	1,088,056	1,088,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	46,508	-	(83,703)	(37,195)	(37,195)
OTHER FINANCING SOURCES (USES):					
Transfers in.....	48,500		103,640	152,140	152,140
Transfers out.....				-	-
NET OTHER FINANCING SOURCES (USES).....	48,500	-	103,640	152,140	152,140
NET CHANGE IN FUND BALANCES.....	95,008	-	19,937	114,945	114,945
FUND BALANCES - JULY 1, 2007.....	132,545	89	(529)	132,105	132,105
FUND BALANCES - JUNE 30, 2008.....	\$ 227,553	\$ 89	\$ 19,408	\$ 247,050	\$ 247,050

Fiduciary Funds

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

Private Purpose Trust Funds

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

Memorial Scholarship Fund

This fund is used for student scholarships.

Agency Funds

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

Student Activities Fund

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

Dependent Care Fund

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

Uninsured Medical Costs Fund

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

REGIONAL SCHOOL DISTRICT NO. 19

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

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
<u>ASSETS</u>				
CASH:				
Student activities fund.....	\$ 420,414	\$ 596,598	\$ 608,375	\$ 408,637
Dependent care fund.....	2,657	9,901	10,799	1,759
Uninsured medical costs fund.....	6,692	29,079	25,109	10,662
TOTAL CASH.....	429,763	635,578	644,283	421,058
ACCOUNTS RECEIVABLE:				
Uninsured medical costs fund.....	1,573	6,948	7,765	756
TOTAL ASSETS.....	\$ 431,336	\$ 642,526	\$ 652,048	\$ 421,814
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Student activities fund.....	\$ 420,414	\$ 596,598	\$ 608,375	\$ 408,637
Dependent care fund.....	2,657	9,901	10,799	1,759
Uninsured medical costs fund.....	8,265	36,027	32,874	11,418
TOTAL LIABILITIES.....	\$ 431,336	\$ 642,526	\$ 652,048	\$ 421,814

Statistical Section

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

Contents

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 8)

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

DEBT CAPACITY (TABLES 9 - 13)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 14 - 18)

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

OPERATING INFORMATION (TABLES 19 - 20)

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

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

TABLE 1

REGIONAL SCHOOL DISTRICT NO. 19

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

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
NET ASSETS:						
Invested in capital assets, net of related debt.....	\$ 23,187,403	\$ 20,467,988	\$ 18,912,085	\$ 16,916,633	\$ 16,678,978	\$ 17,012,800
Restricted.....	466,716	2,344,595	609,801	717,503	718,926	588,682
Unrestricted.....	14,645,476	14,579,678	18,511,387	21,580,404	23,358,007	24,602,904
TOTAL NET ASSETS.....	\$ 38,299,595	\$ 37,392,261	\$ 38,033,273	\$ 39,214,540	\$ 40,755,911	\$ 42,204,386

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

REGIONAL SCHOOL DISTRICT NO. 19

TABLE 2

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

	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
EXPENSES:						
Governmental activities:						
Instructional programs.....	\$ 13,778,521	\$ 10,657,274	\$ 10,522,487	\$ 9,874,932	\$ 9,703,432	\$ 8,774,066
Guidance services.....	1,551,446	1,151,803	1,098,516	996,455	897,392	885,682
Curriculum development.....	298,463	162,545	125,774	137,286	35,200	26,853
Educational media.....	250,417	262,593	234,141	234,550	263,783	253,155
General administration.....	5,105,978	4,166,758	4,050,207	3,814,426	3,535,181	3,059,868
Student activities.....	648,572	542,114	476,689	476,213	501,131	457,883
Transportation.....	1,301,654	1,130,921	1,091,392	973,189	869,689	873,614
Interest expense.....	834,084	903,406	1,010,959	1,082,825	1,236,548	1,542,313
TOTAL EXPENSES.....	23,769,135	18,977,414	18,610,165	17,589,876	17,042,356	15,873,434
PROGRAM REVENUES:						
Governmental activities:						
Charges for services:						
Instructional programs.....	767,381	688,052	643,985	543,660	484,024	489,963
Operating grants and contributions.....	5,405,481	1,696,707	1,706,987	1,192,535	1,463,384	1,328,726
Capital grants and contributions.....	2,073,567				239,764	17,095
TOTAL PROGRAM REVENUES.....	8,246,429	2,384,759	2,350,972	1,736,195	2,187,172	1,835,784
NET EXPENSE:						
Governmental activities.....	(15,522,706)	(16,592,655)	(16,259,193)	(15,853,681)	(14,855,184)	(14,037,650)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:						
General revenues:						
Assessment to member towns.....	16,412,434	15,910,830	15,026,680	14,279,890	13,391,620	12,692,700
Investment income.....	17,082	37,887	36,692	23,345	12,205	18,662
Miscellaneous.....	524	2,926	14,554	9,075	2,884	3,925
TOTAL GENERAL REVENUES.....	16,430,040	15,951,643	15,077,926	14,312,310	13,406,709	12,715,287
CHANGE IN NET ASSETS:						
Governmental activities.....	\$ 907,334	\$ (641,012)	\$ (1,181,267)	\$ (1,541,371)	\$ (1,448,475)	\$ (1,322,363)

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

REGIONAL SCHOOL DISTRICT NO. 19

TABLE 3

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

	FISCAL YEAR ENDED JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
GENERAL FUND:										
Reserved.....	\$ 110,065	\$ 132,913	\$ 9,143	\$ 47,516	\$ 29,808	\$ 12,803	\$ 40,835	\$ 59,759	\$ 124,880	\$ 134,226
Unreserved:										
Designated.....		94,726					25,000	25,000		
Undesignated.....	1,533	229	(10,271)	2,679	23,785	21,018	10,293	8,599	7,374	433
Total unreserved.....	1,533	94,955	(10,271)	2,679	23,785	21,018	35,293	33,599	7,374	433
TOTAL GENERAL FUND.....	111,598	227,868	(1,128)	50,195	53,593	33,821	76,128	93,358	132,254	134,659
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved:										
Debt Service.....	464,491	538,227	600,658	669,987	689,118	575,879	751,367	44,561	199,818	293,077
Commitments.....	2,225	1,806,368								
Unreserved reported in:										
Special revenue funds.....	247,050	132,105	63,587	27,885	122,050	246,745	55,214	(95,230)	50,119	65,678
Capital projects funds.....	(894,869)	(2,546,285)	(102,135)	(29,160)	100,501	121,238	161,555	979,745	(75,642)	2,757,713
TOTAL ALL OTHER GOVERNMENTAL FUNDS...	(181,103)	(69,585)	562,110	668,712	911,669	943,862	968,136	929,076	174,295	3,116,468
GRAND TOTAL.....	\$ (69,505)	\$ 158,283	\$ 560,982	\$ 718,907	\$ 965,262	\$ 977,683	\$ 1,044,264	\$ 1,022,434	\$ 306,549	\$ 3,251,127

REGIONAL SCHOOL DISTRICT NO. 19

TABLE 4

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

	FISCAL YEAR ENDED JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
REVENUES:										
Assessment to member towns.....	\$ 16,412,434	\$ 15,910,830	\$ 15,026,680	\$ 14,279,890	\$ 13,391,620	\$ 12,692,700	\$ 11,931,690	\$ 11,199,500	\$ 10,291,270	\$ 9,319,520
Intergovernmental.....	9,218,060	3,496,343	3,496,454	3,022,961	3,700,383	3,403,208	3,665,979	4,451,059	4,149,991	2,134,189
Charges for services.....	767,381	688,052	643,985	543,660	484,024	489,963	499,826	571,671	490,363	345,869
Investment income.....	17,082	37,887	36,692	23,345	12,205	18,662	45,917	114,865	176,155	366,130
Contributions.....	3,780									
Other.....	524	2,926	14,554	9,075	2,884	3,925	750	344	51,871	17,876
TOTAL REVENUES.....	26,419,261	20,136,038	19,218,365	17,878,931	17,591,116	16,608,458	16,144,162	16,337,439	15,159,650	12,183,584
EXPENDITURES:										
Current:										
Instructional programs.....	9,547,296	9,179,759	8,903,851	8,423,263	8,142,520	7,363,418	7,214,135	6,741,273	6,279,049	5,631,033
Guidance services.....	945,671	931,988	882,496	836,908	761,316	749,713	715,494	680,842	657,231	629,857
Curriculum development.....	53,149	52,370	32,462	35,174	33,327	25,473	29,257	27,452	38,237	34,427
Educational media.....	249,624	261,800	233,348	233,757	228,843	223,981	209,341	205,802	198,098	203,835
General administration.....	3,101,695	2,738,265	2,644,146	2,494,933	2,387,281	2,249,782	2,154,365	2,116,761	1,966,166	1,845,757
Student activities.....	639,391	548,693	499,384	483,544	459,583	424,632	420,674	408,557	384,877	377,117
Transportation.....	1,131,879	1,067,668	1,028,123	924,536	869,689	873,614	723,109	676,086	589,966	593,206
Employee benefits.....	6,129,052	2,442,195	2,481,149	2,010,453	1,952,188	1,680,342	1,622,821	1,512,172	1,472,992	1,287,693
Debt service:										
Principal.....	1,725,000	1,705,000	1,630,000	1,550,000	1,475,000	1,650,000	1,575,000	1,325,000	960,000	535,000
Interest.....	772,998	841,667	898,796	969,557	1,337,676	1,269,970	1,367,957	1,452,070	1,357,372	1,053,727
Capital outlay.....	2,351,294	769,332	142,535	163,161	92,176	180,892	90,252	478,322	8,950,405	14,608,535
TOTAL EXPENDITURES.....	26,647,049	20,538,737	19,376,290	18,125,286	17,739,599	16,691,817	16,122,405	15,624,337	22,854,393	26,800,187
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(227,788)	(402,699)	(157,925)	(246,355)	(148,483)	(83,359)	21,757	713,102	(7,694,743)	(14,616,603)
OTHER FINANCING SOURCES (USES):										
Transfers in.....	947,140	949,550	846,250	837,380	761,790	782,820	797,113	639,073	424,072	533,189
Issuance of debt.....					136,062				4,750,000	10,000,000
Transfers out.....	(947,140)	(949,550)	(846,250)	(837,380)	(761,790)	(782,820)	(797,040)	(639,000)	(424,000)	(533,117)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	136,062	-	73	73	4,750,072	10,000,072
NET CHANGE IN FUND BALANCES.....	\$ (227,788)	\$ (402,699)	\$ (157,925)	\$ (246,355)	\$ (12,421)	\$ (83,359)	\$ 21,830	\$ 713,175	\$ (2,944,671)	\$ (4,616,531)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	10.20%	12.93%	4.67%	5.40%	7.58%	7.69%	8.53%	9.59%	9.76%	8.64%

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, 2008
1999	\$ 152,232,210	28.00	\$ 4,324,145	98.3%	\$ 73,818	\$ 4,129
2000	157,411,650	31.00	4,968,599	98.1%	92,898	6,673
2001	163,689,470	31.00	5,137,129	97.8%	113,321	7,224
2002	169,337,960	33.00	5,663,674	97.8%	127,310	9,002
2003	178,435,038	34.50	6,143,270	98.1%	117,434	16,136
2004	212,592,790	29.00	6,261,220	97.8%	134,660	42,719
2005	221,703,180	31.00	6,974,377	98.3%	115,710	36,878
2006	235,546,430	31.60	7,465,732	98.2%	136,513	42,698
2007	240,891,580	33.00	7,990,034	98.4%	131,598	63,261
2008	244,354,303	33.70	8,265,539	98.1%	153,601	153,601

<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, 2008
1999	\$ 495,721,014	25.56	\$ 12,368,540	98.2%	\$ 222,286	\$ -
2000	505,885,526	25.56	13,053,176	98.4%	207,934	-
2001	512,226,781	26.13	13,552,260	98.4%	219,412	230
2002	537,747,140	26.35	14,333,193	98.6%	196,783	641
2003	555,647,065	27.50	15,487,465	98.2%	282,750	2,729
2004	585,736,365	29.94	17,404,974	98.5%	264,687	7,911
2005	594,074,238	30.96	18,325,498	98.4%	285,979	26,541
2006	865,840,481	22.01	19,182,873	98.6%	264,663	87,694
2007	892,269,810	22.88	20,370,550	98.5%	308,167	155,756
2008	914,191,034	23.87	21,769,741	98.5%	329,642	392,642

<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, 2008
1999	\$ 323,797,290	19.35	\$ 6,104,292	99.0%	\$ 62,335	\$ -
2000	326,963,612	20.90	6,884,498	99.2%	51,893	-
2001	274,734,190	25.70	7,116,435	99.5%	33,486	1
2002	279,602,000	26.50	7,688,819	99.5%	35,078	1,028
2003	290,692,347	27.25	8,009,889	99.4%	47,756	1,972
2004	295,322,996	28.80	8,730,487	99.4%	55,212	6,010
2005	371,259,277	24.77	9,263,063	99.5%	49,463	8,225
2006	377,304,730	25.73	9,709,774	99.3%	67,222	8,469
2007	387,682,695	26.06	10,103,898	99.0%	97,934	16,453
2008	393,258,856	25.70	10,208,212	99.2%	76,843	76,843

REGIONAL SCHOOL DISTRICT NO. 19

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

GRAND LIST AS OF OCTOBER 1	RESIDENTIAL REAL PROPERTY	UTILITIES COMMERCIAL & INDUSTRIAL REAL PROPERTY	ALL OTHER LAND	PERSONAL PROPERTY	MOTOR VEHICLE	%	GROSS TAXABLE GRAND LIST	LESS EXEMPTIONS	NET TAXABLE GRAND LIST	TOTAL DIRECT RATE		
											%	%
ASHFORD												
1997	\$ 121,391,850	8,822,290	\$ 1,441,840	0.9%	\$ 5,297,370	3.5%	\$ 16,451,150	10.7%	\$ 153,404,500	\$ 1,172,290	\$ 152,232,210	28.00
1998	121,893,620	8,013,430	5,280,020	3.3%	5,492,630	3.5%	17,905,790	11.3%	158,585,490	1,173,840	157,411,650	31.00
1999	125,555,250	8,348,280	5,211,500	3.2%	6,299,850	3.8%	19,529,830	11.8%	164,944,710	1,255,240	163,689,470	31.00
2000	128,641,410	8,760,670	5,219,620	3.1%	6,831,800	4.0%	21,047,770	12.3%	170,501,270	1,163,310	169,337,960	33.00
2001	133,282,394	8,801,352	5,222,404	2.9%	7,025,040	3.9%	25,272,128	14.1%	179,603,318	1,168,280	178,435,038	34.50
2002	164,213,420	11,612,370	7,040,630	3.3%	7,252,940	3.4%	23,620,320	11.1%	213,739,680	1,146,890	212,592,790	29.00
2003	173,370,270	11,836,220	6,809,390	3.1%	7,618,020	3.4%	23,242,830	10.4%	222,876,730	1,173,550	221,703,180	31.00
2004	181,553,680	12,416,090	6,995,310	3.0%	8,215,750	3.5%	26,165,600	11.1%	235,346,430	1,174,050	234,172,380	31.60
2005	186,559,400	12,165,540	6,898,960	2.8%	8,470,380	3.5%	28,018,200	11.6%	242,112,480	1,220,900	240,891,580	33.00
2006	188,847,800	13,848,520	6,853,552	2.8%	8,294,419	3.4%	28,058,416	11.4%	245,902,707	1,548,404	244,354,303	33.70
MANSFIELD												
1997	\$ 345,860,180	74,042,470	\$ 9,908,730	2.0%	\$ 18,064,828	3.6%	\$ 50,685,753	10.2%	\$ 498,561,961	\$ 2,840,947	\$ 495,721,014	25.56
1998	349,339,490	74,470,470	9,845,530	1.9%	18,734,640	3.7%	56,825,867	11.2%	509,215,997	3,330,471	505,885,526	25.56
1999	355,732,580	74,608,010	9,114,790	1.7%	18,961,001	3.7%	57,169,897	11.1%	515,586,278	3,359,497	512,226,781	26.13
2000	393,635,960	62,007,250	4,300,240	0.8%	19,819,353	3.7%	61,593,730	11.4%	541,356,533	3,609,393	537,747,140	26.35
2001	402,098,470	67,035,210	3,370,640	0.6%	23,498,820	4.2%	63,581,361	11.4%	559,584,501	3,937,436	555,647,065	27.50
2002	411,876,590	79,082,060	3,850,720	0.7%	28,549,730	4.8%	66,074,095	11.2%	589,433,195	3,696,830	585,736,365	29.94
2003	423,877,050	68,463,490	3,940,460	0.7%	30,133,670	5.0%	71,181,641	11.9%	597,596,311	3,522,073	594,074,238	30.96
2004	658,941,733	106,028,890	8,116,630	0.9%	32,199,575	3.7%	74,895,444	8.5%	880,182,272	5,186,612	874,995,660	22.01
2005	670,168,950	107,835,200	7,727,790	0.9%	33,853,075	3.8%	78,529,205	8.9%	898,114,220	5,844,410	892,269,810	22.88
2006	689,970,600	108,312,710	7,044,070	0.8%	35,057,720	3.8%	80,038,570	8.7%	920,423,670	6,232,636	914,191,034	23.87
WILLINGTON												
1997	\$ 211,780,025	55,728,650	\$ 15,173,785	4.7%	\$ 16,000,360	4.9%	\$ 26,280,550	8.1%	\$ 324,963,370	\$ 1,166,080	\$ 323,797,290	19.35
1998	214,896,493	55,603,570	13,923,875	4.2%	16,517,070	5.0%	27,531,064	8.4%	328,474,072	1,510,460	326,963,612	20.90
1999	148,225,270	50,344,680	31,614,400	11.4%	16,509,680	6.0%	29,840,320	10.8%	276,534,350	1,800,160	274,734,190	25.70
2000	150,776,200	51,692,020	31,969,520	11.3%	15,596,580	5.5%	31,494,920	11.2%	281,529,240	1,927,240	279,602,000	26.50
2001	153,891,310	51,779,050	32,403,150	11.1%	22,132,890	7.6%	32,382,367	11.1%	292,588,767	1,896,420	290,692,347	27.25
2002	158,046,388	52,169,700	32,647,420	11.0%	20,550,560	6.9%	33,659,368	11.3%	297,073,436	1,750,440	295,322,996	28.80
2003	217,488,320	70,423,910	40,913,540	11.0%	10,823,110	2.9%	33,168,857	8.9%	372,817,737	1,558,460	371,259,277	24.77
2004	222,076,160	69,383,970	40,872,050	10.8%	11,060,910	2.9%	35,268,590	9.3%	378,661,680	1,356,950	377,304,730	25.73
2005	225,439,145	70,167,485	42,279,896	10.9%	12,970,000	3.3%	38,006,299	9.8%	388,862,825	1,180,130	387,682,695	26.06
2006	229,645,000	71,295,120	41,446,686	10.5%	14,185,828	3.6%	37,865,284	9.6%	394,437,918	1,179,062	393,258,856	25.70

REGIONAL SCHOOL DISTRICT NO. 19
PRINCIPAL TAXPAYERS OF THE MEMBER TOWNS
FOR CURRENT ASSESSMENT YEAR AND NINE YEARS AGO
(UNAUDITED)

ASHFORD							
GRAND LIST YEAR							
TAXPAYER	NATURE OF BUSINESS	2006			1997		
		ASSESSED VALUE	RANK	PERCENTAGE *	ASSESSED VALUE	RANK	PERCENTAGE *
Connecticut Light & Power Co., The	Public Utility	\$ 2,470,741	1	1.01%	\$ 1,441,250	1	0.95%
Mercier, Normand & Denise	Equestrian Center	1,859,860	2	0.76%			
ING US Students No 3, LLC	Apartments	1,230,467	3	0.50%			
Birch Hill Apartments, LLC	Apartments	1,158,578	4	0.47%			
ING US Students No 2, LLC	Apartments	1,116,158	5	0.46%			
Grove Corporation	Commercial	1,102,230	6	0.45%			
Woodlawn Apartments, LLC	Apartments	914,170	7	0.37%			
Specyalski, Edmund Jr & Adeline	Campground	901,762	8	0.37%			
RanJan LLC	Lodging	744,802	9	0.30%			
Cadlerock Properties Joint Venture LP	Commercial	668,500	10	0.27%	\$ 874,270	3	0.57%
Fairfield Gardens III LLC	Commercial				1,124,810	2	0.74%
Select Equity Lmt'd Partnership	Commercial				797,310	4	0.52%
Ashford Motel	Lodging				738,800	5	0.49%
Crossen Builders Inc.	Contractors				668,590	6	0.44%
Seranton David E.	Commercial				594,570	7	0.39%
Woodlawn Associates	Commercial				562,080	8	0.37%
T & S Limited Partnership	Commercial				535,030	9	0.35%
Feldman R&B & Goodwin L&J&E&Y	Commercial				455,230	10	0.30%
TOTAL		\$ 12,167,268		4.96%	\$ 7,791,940		5.12%

Source: Town Assessor Department

* Based on the Net Taxable Grand List for October 1, 2006 and October 1, 1997 of \$244,354,303 and 152,232,210 respectively.

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

Source: Town Assessor Department

* Based on a Net Taxable Grand List for October 1, 2006 and October 1, 1997 of \$914,191,034 and \$495,721,014 respectively after Board of Tax Review

WILLINGTON							
GRAND LIST YEAR							
TAXPAYER	NATURE OF BUSINESS	2006			1997		
		ASSESSED VALUE	RANK	PERCENTAGE *	ASSESSED VALUE	RANK	PERCENTAGE *
Services Development Corporation	Commercial Land and Building	\$ 27,716,010	1	7.05%	\$ 15,718,480	1	4.85%
Royce Properties, LLC	Truckstops of America	7,679,030	2	1.95%	6,914,810	3	2.14%
GLK Realty Ltd Partnership	Apartments	7,306,190	3	1.86%	6,065,600	4	1.87%
Connecticut Light & Power Co.	Public Utility	3,542,460	4	0.90%	2,207,450	7	0.68%
ING US Students No 7 LLC, formerly Willington Oak	Apartments	3,508,750	5	0.89%	4,337,020	5	1.34%
Fedex Ground Package System, formerly RPS	Machinery & Equipment	3,287,560	6	0.84%	7,543,610	2	2.33%
Storrs Polo Run Limited Partnership	Apartments	3,261,200	7	0.83%			
Lawrence Becker	Land and Building	2,278,470	8	0.58%	1,497,600	8	0.46%
C&S Willington Ltd Partnership	Retail Plaza	1,647,970	9	0.42%			
Shapiro Family Enterprises	Apartments			0.00%	3,061,110	6	0.95%
Fairfield Gardens LLC	Apartments				1,446,230	9	0.45%
Mihalik Joseph	Land and Building				1,426,650	10	0.44%
TOTAL		\$ 60,227,640		15.32%	\$ 50,218,560		15.51%

Source: Town Assessor Department

* Based on the Net Taxable Grand List for October 1, 2006 and October 1, 1997 of \$393,258,856 and \$323,797,290

TABLE 8

REGIONAL SCHOOL DISTRICT NO. 19

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

<u>ASHFORD</u>					
YEAR ENDED JUNE 30,	ESTIMATED POPULATION	ASSESSED VALUE*	GROSS DEBT - END OF YEAR **	GROSS DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
1999	4,000	\$ 152,232,210	\$ 2,435,000	1.6%	\$ 609
2000	3,978	157,411,650	3,330,612	2.1%	837
2001	4,098	163,689,470	3,157,500	1.9%	770
2002	4,107	169,337,960	2,896,461	1.7%	705
2003	4,107	178,435,038	6,212,565	3.5%	1,513
2004	4,200	212,592,790	6,168,471	2.9%	1,469
2005	4,240	221,703,180	6,001,568	2.7%	1,415
2006	4,280	235,546,430	5,939,262	2.5%	1,388
2007	4,415	240,891,580	5,111,536	2.1%	1,158
2008	4,453	244,354,305	4,460,000	1.8%	1,002

<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
1999	20,000	\$ 495,721,014	\$ 8,346,376	1.7%	\$ 417
2000	20,500	505,885,526	7,410,688	1.5%	361
2001	20,720	512,226,781	8,805,000	1.7%	425
2002	22,000	537,747,140	7,715,000	1.4%	351
2003	23,700	555,647,065	6,540,000	1.2%	276
2004	25,000	585,736,365	5,780,000	1.0%	231
2005	25,200	594,074,238	4,800,000	0.8%	190
2006	25,800	865,840,481	3,970,000	0.5%	154
2007	25,700	892,269,810	3,165,000	0.4%	123
2008	25,800	914,191,034	2,505,000	0.3%	97

<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
1999	6,131	\$ 323,797,290	\$ 2,935,367	0.9%	\$ 479
2000	5,962	326,963,612	2,489,367	0.8%	418
2001	5,959	274,734,190	2,175,000	0.8%	365
2002	6,071	279,602,000	1,875,000	0.7%	309
2003	6,116	290,692,347	1,575,000	0.5%	258
2004	6,116	295,322,996	1,275,000	0.4%	208
2005	6,116	371,259,277	975,000	0.3%	159
2006	6,356	377,304,730	780,000	0.2%	123
2007	6,248	387,682,695	3,585,000	0.9%	574
2008	6,139	395,121,950	3,240,000	0.8%	528

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

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

REGIONAL SCHOOL DISTRICT NO. 19

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

<u>ASHFORD</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1999	\$ 339,491	\$ 8,428,770	4.0%
2000	242,411	8,401,651	2.9%
2001	372,079	9,303,072	4.0%
2002	384,524	9,465,144	4.1%
2003	402,563	11,207,770	3.6%
2004	417,450	11,269,699	3.7%
2005	417,493	11,316,925	3.7%
2006	568,868	12,348,959	4.6%
2007	623,443	13,339,803	4.7%
2008	847,307	17,186,873	4.9%

<u>MANSFIELD</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1999	\$ 1,293,558	\$ 25,462,958	5.1%
2000	1,189,692	27,724,090	4.3%
2001	1,273,412	28,768,868	4.4%
2002	1,312,352	30,184,366	4.3%
2003	1,348,975	31,061,554	4.3%
2004	1,349,440	32,522,045	4.1%
2005	1,241,507	34,702,002	3.6%
2006	1,046,239	37,613,822	2.8%
2007	981,482	46,805,467	2.1%
2008	796,082	53,109,310	1.5%

<u>WILLINGTON</u>			
YEAR ENDED JUNE 30,	GROSS DEBT SERVICE*	TOTAL GENERAL GOVERNMENT EXPENDITURES	PERCENT
1999	\$ 555,929	\$ 10,420,185	5.3%
2000	477,565	10,944,094	4.4%
2001	448,149	11,430,835	3.9%
2002	414,495	11,773,656	3.5%
2003	396,025	12,123,835	3.3%
2004	378,425	12,624,289	3.0%
2005	361,754	13,221,773	2.7%
2006	240,081	13,740,920	1.7%
2007	291,556	14,403,698	2.0%
2008	488,673	14,755,228	3.3%

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

TABLE 10**REGIONAL SCHOOL DISTRICT NO. 19****RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	SCHOOL CONSTRUCTION GRANTS RECEIVABLE	GROSS DEBT PER STUDENT	NET DEBT PER STUDENT
1999	\$ 24,660,000	\$ 18,692,219	\$ 24,059	\$ 5,822
2000	28,725,000	19,868,727	26,066	8,037
2001	27,675,000	19,111,704	23,276	7,202
2002	26,375,000	18,468,500	22,239	6,667
2003	25,000,000	17,453,360	19,794	5,975
2004	24,465,000	17,133,200	19,309	5,787
2005	22,965,000	16,060,009	18,313	5,506
2006	21,385,000	14,947,893	16,839	5,069
2007	19,680,000	13,743,374	16,359	4,935
2008	17,955,000	12,543,076	15,063	4,540

NOTE: School construction grants are for principal on debt service related payments for school construction. Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

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

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

<u>YEAR ENDED JUNE 30,</u>	<u>GROSS DEBT SERVICE</u>	<u>TOTAL SCHOOL EXPENDITURES</u>	<u>PERCENT</u>
1999	\$ 1,588,727	\$ 10,602,925	15.0%
2000	2,317,372	11,717,241	19.8%
2001	2,777,070	12,640,685	22.0%
2002	2,942,957	13,159,652	22.4%
2003	2,919,970	13,700,030	21.3%
2004	2,812,676	14,906,186	18.9%
2005	2,519,557	15,605,729	16.1%
2006	2,528,796	16,847,494	15.0%
2007	2,546,667	17,222,738	14.8%
2008	2,497,998	21,797,757	11.5%

REGIONAL SCHOOL DISTRICT NO. 19

DISTRICT AND MEMBER TOWN INDEBTEDNESS AND
 COMPUTATION OF DEBT LIMIT AND DEBT MARGIN - THE DISTRICT
 JUNE 30, 2008
 (UNAUDITED)

	TOWN OF			TOTAL
	ASHFORD	MANSFIELD	WILLINGTON	
Total Fiscal Year 2007-08				
Tax Collections (including interest and tax lien fees).....	\$ 8,259,790	\$ 21,789,641	\$ 10,236,645	\$ 40,286,076
Debt Limit:				
Limit for School Building Purposes (2.25 times base).....				\$ 90,643,671
Indebtedness:				
Bonds Outstanding.....				18,610,000
Less: State Grants Receivable.....				(12,642,364)
Net Indebtedness.....				5,967,636
Debt Limitation in Excess of Net Indebtedness.....				\$ 84,676,035

TABLE 13**REGIONAL SCHOOL DISTRICT NO. 19****LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
1999	\$ 53,406,196	\$ 5,967,781	\$ 47,438,415	11.17%
2000	56,105,926	8,134,683	47,971,243	14.50%
2001	58,363,994	8,043,109	50,320,885	13.78%
2002	62,590,748	8,012,716	54,578,032	12.80%
2003	66,880,010	7,579,259	59,300,751	11.33%
2004	73,753,445	7,353,546	66,399,899	9.97%
2005	78,454,447	6,826,735	71,627,712	8.70%
2006	81,407,808	6,437,109	74,970,699	7.91%
2007	86,565,123	5,936,626	80,628,497	6.86%
2008	90,643,671	5,967,636	84,676,035	6.58%

TABLE 14**REGIONAL SCHOOL DISTRICT NO. 19**

DEMOGRAPHIC STATISTICS
 LAST TEN YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) UNEMPLOYMENT RATE	(3) GRADUATION RATE	(3) AVERAGE DAILY ATTENDANCE
1999	30,131	2.1%	90.8%	93.5%
2000	30,440	1.8%	91.0%	93.9%
2001	30,777	2.2%	91.8%	93.9%
2002	32,178	2.8%	95.2%	93.0%
2003	33,923	3.7%	89.9%	96.2%
2004	35,316	3.6%	93.1%	97.0%
2005	35,556	3.9%	87.6%	97.7%
2006	36,436	3.5%	90.7%	95.9%
2007	36,363	4.1%	94.6%	93.7%
2008	36,392	4.5%	91.6%	95.0%

(1) Source: State of Connecticut, Department of Health, 1990 Population - U.S. Bureau of Census.

(2) Source: State of Connecticut, Department of Labor.

(3) District records.

TABLE 15

REGIONAL SCHOOL DISTRICT NO. 19

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2008			1999		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
<u>ASHFORD</u>						
Town of Ashford	<u>155</u>	N/A	<u>N/A</u>	<u>N/A</u>	N/A	<u>N/A</u>
<u>MANSFIELD</u>						
University of Connecticut	4,555	1	N/A	N/A	1	N/A
Town of Mansfield	419	2	N/A	N/A	2	N/A
Bergin Correctional Institute	227	4	N/A	N/A	3	N/A
Regional School District #19	171	3	N/A	N/A	4	N/A
Natchaug Hospital, Inc.	<u>N/A</u>	5	<u>N/A</u>	<u>N/A</u>	5	<u>N/A</u>
	<u>5,372</u>		<u>0.0%</u>	<u>N/A</u>		<u>N/A</u>
<u>WILLINGTON</u>						
N/A	<u>N/A</u>	N/A	<u>N/A</u>	<u>N/A</u>	N/A	<u>N/A</u>

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

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

Source for Bergin Correctional Institute is Karen O'Keefe from warden's office.

N/A - Information not available

REGIONAL SCHOOL DISTRICT NO. 19

**EDWIN O. SMITH HIGH SCHOOL ENROLLMENT
JUNE 30, 2008
(UNAUDITED)**

YEAR ENDED JUNE 30,	ASHFORD	MANSFIELD	WILLINGTON	OTHER TUITION	TOTAL
1999	185	523	259	58	1,025
2000	203	577	265	57	1,102
2001	224	619	277	69	1,189
2002	231	631	260	64	1,186
2003	246	662	285	70	1,263
2004	259	658	296	54	1,267
2005	253	646	299	56	1,254
2006	259	664	293	54	1,270
2007	241	657	252	53	1,203
2008	223	634	261	74	1,192
PROJECTED:					
2009	229	629	254	57	1,169
2010	239	611	255	57	1,162
2011	242	576	279	57	1,154

Source: State Department of Education

STRATEGIC SCHOOL PROFILE 2007-08

High School Edition

E. O. Smith High School

Regional School District 19

LOUIS F. DELORETO, Principal
FRANCIS X. CRONIN, Asst. Principal
SHEILA RIFFLE, Asst. Principal
Telephone: (860) 487-0877

Location: 1235 Storrs Road
Storrs,
Connecticut

This regional school district serves Ashford, Mansfield, Willington

This profile was produced by the Connecticut State Department of Education in accordance with CT General Statutes 10-220(c) using data and narratives provided by the school district or testing services. Profiles and additional education data, including longitudinal data, are available on the internet at www.sde.ct.gov.

TYPE OF SCHOOL

School Type: Traditional/Regular

School Grade Range: 9-12

STUDENT ENROLLMENT

Enrollment on October 1, 2007: 1184

5-Year Enrollment Change: -4.5%

District Reference Group (DRG): C DRG is a classification of districts whose students' families are similar in education, income, occupation, and need, and that have roughly similar enrollment. The Connecticut State Board of Education approved DRG classification for purposes of reporting data other than student performance.

INDICATORS OF EDUCATIONAL NEED

Need Indicator	Number in School	Percent in School	High Schools	
			% in DRG	% in State
Students Eligible for Free/Reduced-Price Meals	78	6.6	3.7	23.8
Students Who Are Not Fluent in English	10	0.8	0.3	3.5
Students Identified as Gifted and/or Talented	287	24.2	4.2	4.6
Students with Disabilities	180	15.2	10.2	10.7
Juniors and Seniors Working 16 or More Hours Per Week	59	13.0	21.6	20.2

PROGRAM AND INSTRUCTION

Average Class Size	School	DRG	State
Algebra I	18.3	18.4	17.9
Biology I	18.9	17.7	18.6
English, Grade 10	15.9	17.3	18.4
American History	15.3	18.0	19.5

World Languages: Instruction was offered in the following world language(s): French, German, Latin, Spanish.

Agricultural Science and Technology: A regional agricultural science and technology education center is located in this school.

Instructional Time	School	State High Schools
Total Days per Year	180	181
Total Hours per Year	1,049	1,006

State law requires that at least 180 days of school and 900 hours of instruction be offered to students in high school grades.

Lunch

An average of 27 minutes is provided for lunch during full school days.

% Juniors and Seniors Enrolled in a Course or Courses for College Credit	School	State
During the 2006-07 School Year	70.8	28.7

Minimum Graduation Credits

The state requires a minimum of 20 credits for graduation.

Total Number of Credits Required for Graduation	School	DRG	State
Required for Class of 2007	22.0	23.8	23.1

% of Class of 2007 Graduates who Took Higher Level Courses or Earned More Credits in Selected Subjects than Required by the State for Graduation	School	State
Algebra I or Equivalent	84.2	91.9
Chemistry	71.0	70.1
4 or More Credits in Mathematics	53.0	63.7
3 or More Credits in Science	100.0	90.0
4 or More Credits in Social Studies	39.4	54.8
Credit for Level 3 or Higher in a World Language	48.3	58.7
2 or More Credits in Vocational Education	59.9	57.8
2 or More Credits in the Arts	42.0	39.8

Class of 2007
This school required more than the state minimum number of credits for graduation in health, physical education, science.

Special Programs	School	High Schools	
		DRG	State
% of Students in Bilingual Education Program or Receiving English as a Second Language Services	0.8	0.3	3.4
% of Gifted and/or Talented Students Who Received Services	0.0	9.5	42.2
% of Special Education Students Who Spent Over 79% of Their Time with Their Non-Disabled Peers:	63.9	67.7	72.0

LIBRARY AND COMPUTERS

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

Instructional Computers and Library Materials	School	High Schools	
		DRG	State
# of Students Per Computer	2.6	2.2	2.7
% of Computers with Internet Access	100.0	100.0	99.5
% of Computers that are High or Moderate Power	84.5	98.2	96.8
# of Print Volumes Per Student*	15.7	19.0	15.6
# of Print Periodical Subscriptions	75	55	45

*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.

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. Statewide, 0.3% of high schools in the state utilize interactive distance learning.

SCHOOL STAFF

Full-Time Equivalent Count of School Staff		
General Education: Teachers and Instructors		89.90
Paraprofessional Instructional Assistants		4.60
Special Education: Teachers and Instructors		13.40
Paraprofessional Instructional Assistants		23.00
Library/Media Specialists and Assistants		2.00
Administrators, Coordinators, and Department Chairs		6.40
Instructional Specialists Who Support Teachers (e.g., subject area specialists)		0.00
Counselors, Social Workers, and School Psychologists		9.80
School Nurses		3.00
Other Staff Providing Non-Instructional Services and Support		36.00

In the full-time equivalent count, staff members working part-time in the school are counted as a fraction of full-time. For example, a teacher who works half-time in a school contributes 0.50 to the school's staff count.

Teachers and Instructors	School	High Schools	
		DRG	State
Average Number of Years of Experience in Education	15.2	14.7	13.8
% with Master's Degree or Above	74.1	73.4	72.2
Teacher Attendance, 2006-07: Average # of Days Absent Due to Illness or Personal Time	4.8	6.7	8.9
% Assigned to Same School the Previous Year	80.6	75.6	76.4

HOME AND SCHOOL COMMUNICATION AND SUPPORT

Teacher E-Mail Addresses: All teachers at this school have been issued e-mail addresses.

Online Homework Information: A portion of the school's website is devoted to homework pages.

The following narrative about how this school promotes and supports parental involvement was submitted by the school.

A number of programs and activities are scheduled each year to encourage parents and guardians to be better informed about the programs and services at the high school.

The principal attended monthly Parent's Association meetings to provide a monthly report and answer questions. Each fall, parents are invited to a school Open House which is always very well attended. Those in attendance have an opportunity to meet their child's teachers and to become more knowledgeable about each of their child's classes. The athletic department hosts a 'meet the coaches' night' for those parents whose children are playing on athletic teams.

The guidance department invites parents to attend a "Post Secondary Planning" workshop which focuses on resources for financial aid and college admissions.

The school maintains a local access television channel which is updated daily with district and school information.

The school web site offers current information for students, parents and staff. Teachers post class information on eboards allowing students to access documents and calendars of upcoming assignments

All ninth grade students were given calendar agendas for the year along with training on how to use them and effectively manage their tasks and time.

A student newspaper, The Oracle is issued each marking period with a special senior edition at the end of each year. The guidance and FFA newsletters offer information and news on these respective departments.

SCHOOL DIVERSITY

Student Race/Ethnicity		
Race/Ethnicity	Number	Percent
American Indian	11	0.9
Asian American	50	4.2
Black	36	3.0
Hispanic	46	3.9
White	1,041	87.9
Total Minority	143	12.1

Percent of Minority Professional Staff: 1.6

Non-English Home Language: 3.0% of this school's students come from homes where English is not the primary language. The number of non-English home languages is 14.

EFFORTS TO REDUCE RACIAL, ETHNIC, AND ECONOMIC ISOLATION

Below is the description submitted by this school of how it provides educational opportunities for its students to interact with students and teachers from diverse racial, ethnic, and economic backgrounds.

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

E.O. Smith is in the process of forming a relationship with University High School in Hartford, Connecticut. Proposed events may include co-learning projects, school visits and community forums.

We are currently involved in four international exchange programs with schools in Central America and Europe. The exchange programs provide our students, and those from our sister schools, with a variety of opportunities to visit with each other, practice their language skills, develop an understanding of different cultural practices and celebrate our differences. This year, we are participating in exchanges with students from France and Spain.

Smith has continued to maintain a very active Youth Forum organization that attends gatherings in high schools across the state. The purpose of the organization is to meet and discuss serious local and global issues affecting youth today. Our Peer Natural helper program has a weekend retreat that involves team building training centered on becoming peer leaders. A new school organization, Ending Genocide Around the World has been formed to support nations in the midst of civil war and unrest. EGAW has supported people of such nations around the world with humanitarian assistance. E.O. Smith students and staff have also joined a cause to support a non-profit organization for clean water in Haiti called Roots of Development. Fundraising events were held this past summer and will continue through the school year.

STUDENT PERFORMANCE AND BEHAVIOR

Physical Fitness: % Reaching Health Standard on All Four Tests*	School	State	% of Schools in State with Equal or Lower Percent Reaching Standard
Grade 10	36.5	38.9	45.9

*Includes tests for flexibility, abdominal strength and endurance, upper-body strength and aerobic endurance.

Advanced Placement Courses	School	State High Schools
Number of Courses for which Students were Tested	13	9.1
% of Grade 12 Students Tested	5.9	21.0
% of Exams Scored 3 or More*	96.8	71.5

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

Connecticut Academic Performance Test, Third Generation, % Meeting State Goal. The CAPT is administered to Grade 10 students. 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. The following results reflect the performance of students with scoreable tests who were enrolled in the school at the time of testing, regardless of the length of time they were enrolled in the school. Results for fewer than 20 students are not presented. For more detailed CAPT results, go to www.ctreports.com.

CAPT Subject Area	School	State	% of Schools in State with Equal or Lower Scores
Reading Across the Disciplines	59.3	45.5	70.9
Writing Across the Disciplines	74.5	57.9	76.2
Mathematics	71.7	50.1	79.0
Science	74.1	46.3	90.7

To see the NCLB Report Card for this school, go to www.sde.ct.gov and click on "No Child Left Behind."

SAT® I. The lowest possible score on each subtest is 200; the highest possible score is 800.

SAT® I: Reasoning Test Class of 2007	School	State	% of Schools in State with Equal or Lower Scores
Average Score: Mathematics	560	504	92.2
Critical Reading	549	502	90.5
Writing	542	503	88.3
% of Graduates Tested	64.7	77.6	N/A

Graduation and Dropout Rates	School	State	% of Districts in State with Equal or Less Desirable Rates
Graduation Rate, Class of 2007	96.1	92.6	52.2
Cumulative Four-Year Dropout Rate for Class of 2007	4.2	6.2	42.8
2006-07 Annual Dropout Rate for Grade 9 through 12	2.2	1.7	25.1

Activities of Graduates	School	State
% Pursuing Higher Education	72.2	83.4
% Employed, Civilian and Military	12.6	12.3

Student Attendance	School	State High Schools
% Present on October 1	93.7	94.4

Disciplinary Offenses
Disciplinary offenses committed by students include all serious offenses, offenses involving drugs, alcohol, or tobacco, and all incidents resulting in suspension or expulsion. In the 2006-07 school year, 109 students were responsible for these incidents. These students represent 8.9% of the estimated number of students who attended this school at some point during the 2006-07 school year. For more information and data on disciplinary offenses, go to www.sde.ct.gov, click on "CEDaR" and then on "Student Data."

Number of Incidents by Disciplinary Offense Category, 2006-07		
Offense Category	Location of Incident	
	School	Other Location
Violent Crimes Against Persons	0	0
Sexually Related Behavior	1	0
Personally Threatening Behavior	0	0
Theft	5	0
Physical/Verbal Confrontation	4	0
Fighting/Battery	32	0
Property Damage	2	0
Weapons	3	0
Drugs/Alcohol/Tobacco	25	0
School Policy Violations	192	0
Total	264	0

SCHOOL IMPROVEMENT PLANS AND ACTIVITIES

The following narratives was submitted by this school.

The district developed a comprehensive plan to better address the disciplinary needs of all students to reduce the number of out-of-school suspensions. The plan includes extensive professional development training for selected staff, new early intervention strategies for students and the use of data to more closely monitor student performance. Specific programs include Positive After School Support (PASS) and Credit Recovery Program (CRP). In addition, staff will receive training on differentiated instruction and behavioral modification strategies.

In collaboration with the University of Connecticut, the high school began focusing on improving the school climate. The district adopted the Positive Behavioral Interventions and Supports (PBIS) Model in an effort to create a safe, supportive and affirming educational environment. During the year, all members of our school community met to identify our high school's five cores values. They are 'Respect,' 'Responsibility,' 'Integrity,' 'Achievement' and 'Community.' Students and staff worked diligently to begin integrating the core values into daily practices at the high school. We are in the third year of a multi-year process.

The district administered the PSAT to all 11th graders in an effort to encourage students to better prepare for post-secondary opportunities. An advisory program was planned to deliver a detailed curriculum in a small class format to all 9th and 10 graders. The 11th and 12th grade students will be participating in seminar discussions of relevant topics specific to their age groups. Through this program, we aim to establish more connections with peers and adults while discussing important life topics in a school environment.

SUPPLEMENTAL SCHOOL INFORMATION

The space below was optionally used by this school to describe aspects of the school not presented elsewhere in the profile.

E.O. Smith faculty members teach over 30 University of Connecticut Co-op courses.

The guidance department hosted two on-site career opportunity fairs.

E.O. Smith is embarking on a new partnership with the Connecticut Writing Project and UConn to develop a school-wide writing center. We plan to begin offering direct support to students in January 2009

E.O. Smith continues to serve as a professional development training site for the NEAG School of Education at the University of Connecticut.

The E.O. Smith DECA program won the outstanding chapter in Connecticut and Business Education teacher and chapter advisor was named 'State Advisor of the Year.'

The Agricultural Education engineering team was chosen to be the state representative to compete in the FFA national competition in Indianapolis, Indiana earning a silver medal designation.

Science teacher and science club advisor brought two teams of four students each and competed in the regional fuel cell car competition in Boston.

Our new reading center was awarded a \$1,650 competitive grant to fund reading support materials.

World Languages Department Chair Nancy Silander was one of three Connecticut educators to be awarded the Order of Academic Palms. Ms. Silander will be presented with her membership on May 12th.

Social Studies teacher Jim Loughead was awarded the 2008 Korzenik Holocaust Educator Award from the University of Hartford's Greenberg Center for Judaic Studies based on his curriculum unit "Man's Inhumanity Towards Man: The Holocaust."

Science teacher Jon Swanson was awarded the Presidential Award for Excellence in Mathematics & Science.

TABLE 18

REGIONAL SCHOOL DISTRICT NO. 19
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS
 (UNAUDITED)

FUNCTION / PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instructional programs.....	117.4	114.4	114.2	114.9	112.2	113.0	111.4	107.6	103.0	97.9
Guidance services.....	12.0	12.0	12.0	11.0	10.5	10.0	10.0	9.5	9.5	9.5
Educational media.....	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
General administration.....	19.4	18.4	18.4	18.4	19.4	19.4	18.4	17.2	15.5	14.6
Other.....	18.5	18.0	18.0	18.0	18.5	19.0	19.5	18.5	17.5	15.1
TOTAL.....	171.3	166.8	166.6	166.3	164.6	165.4	163.3	156.8	149.5	141.1

SOURCE: Town Budget

TABLE 12

REGIONAL SCHOOL DISTRICT NO. 12

OPERATING STATISTICS
LAST TEN YEARS
UNAUDITED

YEAR ENDED JUNE 30,	EXPENSES	ENROLLMENT	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO	STUDENT ATTENDANCE PERCENTAGE
1999	\$ 11,656,452	1,025	\$ 11,372	13.5%	82.3	12.5	N/A
2000	13,074,413	1,102	11,864	4.3%	87.8	12.6	N/A
2001	14,092,755	1,189	11,853	-0.1%	93.8	12.7	N/A
2002	14,527,609	1,186	12,249	3.3%	96.0	12.4	N/A
2003	15,873,434	1,263	12,568	2.6%	99.9	12.6	N/A
2004	17,042,356	1,267	13,451	7.0%	99.3	12.8	N/A
2005	17,589,876	1,254	14,027	4.3%	102.2	12.3	N/A
2006	18,610,165	1,270	14,654	4.5%	101.4	12.5	N/A
2007	18,977,414	1,203	15,775	7.6%	102.6	11.7	N/A
2008	23,769,135	1,192	19,941	26.4%	103.3	11.5	N/A

SOURCE: School enrollment and employee records

TABLE 20

REGIONAL SCHOOL DISTRICT NO. 19

SCHOOL BUILDING INFORMATION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
E.O. SMITH HIGH SCHOOL										
Originally constructed.....										
1958										
Last renovation.....										
2000										
Square feet.....	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000
Capacity (students).....	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment.....	1,192	1,203	1,270	1,254	1,267	1,263	1,186	1,189	1,102	1,025

SOURCE: Building Maintenance Department and School enrollment records

**State
Single
Audit**

REGIONAL SCHOOL DISTRICT NO. 19

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

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CORE CT NUMBER	STATE PROJECT NUMBER	EXPENDITURES
STATE DEPARTMENT OF EDUCATION:			
Vocational Agriculture.....	11000-SDE64000-17017	11000-17017-84010-2008	\$ 129,367
Adult Education.....	11000-SDE64000-17030	11000-17030-84003-2008-170013	53,144
BOARD OF EDUCATION & SERVICES FOR THE BLIND:			
Services for the Blind.....	11000-ESB65020-12060		39,058
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS.....			221,569
EXEMPT PROGRAMS:			
STATE DEPARTMENT OF EDUCATION:			
Public School Transportation.....	11000-SDE64000-17027	11000-17027-82010-2008-170005	324,733
Special Education: Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82016-2008	110,261
Special Education: Agency Placement and Excess Costs.....	11000-SDE64000-17047	11000-17047-82018-2008	184,697
School Construction Projects - Principal.....	13010-SDE64000-40901	13010-40901-82003-2008-170001	1,200,298
School Construction Projects - Interest.....	13009-SDE64000-40896	13009-40896-82004-2008-170063	542,494
School Construction Progress Payments.....	13010-SDE64000-40901	13010-40901-82006-2008-170001	2,073,567
TOTAL EXEMPT PROGRAMS.....			4,436,050
TOTAL STATE FINANCIAL ASSISTANCE.....			\$ 4,657,619

See note to Schedule of Expenditures of State Financial Assistance

REGIONAL SCHOOL DISTRICT NO. 19

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

Various departments and agencies of the State of Connecticut have provided financial assistance to Regional School District No. 19 through grants and other authorization in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the State Department of Education, and the Board of Education & Services for the Blind.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

REGIONAL SCHOOL DISTRICT NO. 19

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

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, 2008

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

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

Noncompliance material to financial statements noted? yes x no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes x no

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

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

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

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

<u>State Grantor and Program</u>	<u>State Grant Program Core CT Number</u>	<u>Expenditures</u>
DEPARTMENT OF EDUCATION: Vocational Agriculture	11000-SDE64000-17017	\$ 129,367

II. FINANCIAL STATEMENT FINDINGS

- We issued our report dated December 17, 2008, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

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



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

Board of Education
Regional School District No. 19

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School District No. 19, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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



Regional School District No. 19
Page Two

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 17, 2008.

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 17, 2008



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

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, 2008. The major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the District'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 District'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 District's compliance with those requirements.

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

Internal Control Over Compliance

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



Regional School District No. 19
Page Two

Internal Control Over Compliance (Continued)

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

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

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

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 17, 2008. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 17, 2008