



March 1, 2011

**TO ALL BIDDERS**

**TOWN OF MANSFIELD, CONNECTICUT**

**\$2,840,000 GENERAL OBLIGATION BONDS, ISSUE OF 2011**

**(BANK QUALIFIED)**

**DATED: MARCH 22, 2011 DUE: MARCH 15, 2014 - 2026**

Enclosed is the Town of Mansfield, Connecticut's Notice of Sale which allows for electronic bidding through i-Deal's PARITY ("PARITY®"). Per the official Notice of Sale, bids for the Bonds will be received on behalf of Town officials at the offices of Day Pitney LLP, 242 Trumbull Street, 6<sup>th</sup> Floor, Crandall Conference Room, Hartford, Connecticut, until 11:00 A.M. (E.S.T.); on **TUESDAY**,

**MARCH 8, 2011**

If you have any questions regarding the issue, please note that a representative of *IBIC* will be available on the morning of the sale at the following numbers:

(Hartford): (860) 466-0512  
(860) 275-0501

We trust we may be of service.

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Independent Bond & Investment Consultants LLC  
*Member: National Association of Independent Public Finance Advisors*

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129 Samson Rock Drive, Suite A, Madison, CT 06443 Phone 203.245.8715 Fax 203.245.7763 Email [muniibic@aol.com](mailto:muniibic@aol.com)

# PRELIMINARY OFFICIAL STATEMENT

## NEW ISSUE

**MOODY'S RATING:**  
(See "Ratings" herein)

*In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; the Bonds are "qualified tax-exempt obligations"; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B "Form of Opinion of Bond Counsel and Tax Exemption" herein.)*

## TOWN OF MANSFIELD, CONNECTICUT

**\$2,840,000**

### GENERAL OBLIGATION BONDS, ISSUE OF 2011 (BANK QUALIFIED) BOOK-ENTRY-ONLY

**Dated: Date of Delivery**

**Due: March 15, 2014-2026**

The Bonds will be general obligations of the Town of Mansfield, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein).

Interest on the Bonds will be payable on September 15, 2011 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Bonds are issued by means of a book entry system and will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Ownership of the Bonds will be in the denominations of \$5,000 or integral multiples thereof. Principal and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. So long as Cede & Co. is the Bondowner, respectively, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry Transfer System" herein).

**The Bonds are subject to optional redemption prior to maturity as described herein. (See "Optional Redemption" herein).**

The Certifying, Registrar, Transfer and Paying Agent for the Bonds will be U.S. Bank National Association, of Hartford, Connecticut.

The Bonds are being offered for sale in accordance with an official Notice of Sale dated March 1, 2011. Electronic bids via **PARITY**® for the Bonds will be received until 11:00 o'clock A.M. (E.S.T.) on March 8, 2011 at the offices of Day Pitney LLP, 242 Trumbull Street, 6<sup>th</sup> Floor, Crandall Conference Room, Hartford, Connecticut, as described in the official Notice of Sale. (See "Appendix D" herein).

### MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP Number	Maturity	Amount	Interest Rate	Yield	CUSIP Number
2014	\$ 220,000	%	%	564198***	2021	\$ 220,000	%	%	564198***
2015	220,000			564198***	2022	220,000			564198***
2016	220,000			564198***	2023	220,000			564198***
2017	220,000			564198***	2024	220,000			564198***
2018	220,000			564198***	2025	220,000			564198***
2019	220,000			564198***	2026	200,000			564198***
2020	220,000			564198***					

*The Bonds are offered for delivery when, as, and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about March 22, 2011.*

**Dated: March 1, 2011**

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other changes without any notice. The securities described herein may not be sold nor any offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A definitive Official Statement with respect to these securities will be made available concurrently with their sale.

No dealer, broker, salesman or other person has been authorized by the Town of Mansfield, Connecticut (the "Town"), to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the Town.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – “Audited Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than as to matters expressly set forth in Appendix B "Opinion of Bond Counsel and Tax Exemption" respectively, Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

The Town currently files its official statements for primary offerings with all nationally recognized municipal securities information repositories. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events within 10 days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

**FINANCIAL ADVISOR**

**INDEPENDENT BOND AND CONSULTANTS LLC (IBIC)**

*Madison, Connecticut  
(203) 245-8715*

**BOND COUNSEL**

**DAY PITNEY LLP**

*Hartford, Connecticut  
(860) 275-0186*

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## **BOND SALE SUMMARY**

The information in this Bond Sale Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The Official Statement speaks only as of its date and the information herein is subject to change.

<b>Date of Sale:</b>	Tuesday, March 8, 2011, at 11:00 o'clock A.M. (E.S.T).
<b>Location of Sale:</b>	Office of Day Pitney, LLP, 242 Trumbull Street, 6th Floor, Crandall Conference Room, Hartford, Connecticut 06103-1212.
<b>Issuer:</b>	Town of Mansfield, Connecticut (the "Town").
<b>Issue:</b>	\$2,840,000 General Obligation Bonds, Issue of 2011
<b>Dated Date:</b>	Date of Delivery, March 22, 2011.
<b>Interest Due:</b>	March 15 and September 15 in each year, commencing September 15, 2011.
<b>Principal Due:</b>	Serially, March 15, 2014-2026.
<b>Purpose and Authority:</b>	The Bonds are being issued to finance various Town and Board of Education improvements as authorized pursuant to Titles 7 and 10 of the General Statutes of Connecticut, as amended, the Charter of the Town of Mansfield, and bond resolutions approved by the Town Council and passed by the voters at Special Town Meeting or referendum.
<b>Redemption:</b>	The Bonds <u>are</u> subject to redemption prior to maturity. (See "Optional Redemption" herein).
<b>Security:</b>	The Bonds will be general obligations of the Town of Mansfield, Connecticut, and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Town has made an application to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. Currently, the Town's outstanding bonds are rated "Aa2" by Moody's (See "Ratings" herein).
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Tax Exemption:</b>	See Appendix B herein.
<b>Availability of Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.
<b>Bank Qualification:</b>	The Bonds <u>SHALL</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds
<b>Certifying Bank, Registrar, Transfer and Paying Agent:</b>	U.S. Bank National Association, of Hartford, Connecticut.
<b>Legal Opinion:</b>	Day Pitney LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made on or about March 22, 2011, against payment in Federal Funds.
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Ms. Cheryl A. Trahan, Director of Finance Town of Mansfield, Audrey P. Peck Municipal Building, 4 South Eagleville Road, Mansfield, Connecticut - Telephone (860) 429-3343.

## SECTION I - SECURITIES OFFERED

### Introduction

This Official Statement, including the cover page and Appendices, has been prepared by the Town of Mansfield, Connecticut (the "Town") with assistance from the financial advisor, in connection with the sale of the \$2,840,000 General Obligation Bonds, Issue of 2011 (the "Bonds").

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

### Description of the Bonds

The Bonds will be dated the date of delivery, and will mature in annual installments on March 15 in the years and amounts set forth on the cover page hereof. Interest on the Bonds will be due September 15, 2011 and semiannually thereafter on March 15 and September 15 in each year until maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of February and August in each year. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Only Transfer System". The Bonds will be subject to redemption prior to maturity. (See "Optional Redemption" herein). The Certifying, Paying, Registrar and Transfer Agent will be U.S. Bank National Association, Hartford, Connecticut. The legal opinion on the Bonds will be Day Pitney LLP, of Hartford, Connecticut, as described in Appendix B.

### Authorization and Use of Proceeds

Authorization: The Bonds are being issued pursuant to Titles 7 and 10 of the Connecticut General Statutes, as amended, the Charter of the Town of Mansfield, and bond resolutions approved by the Town Council and passed by the voters at Special Town Meeting or referendum.

**Community Center Air Conditioning** – An appropriation and bond authorization in the amount of \$200,000 was approved by the Town Council on September 5, 2006 and by the voters at a referendum on November 7, 2006 for the installation of air conditioning in the Mansfield Community Center gymnasium including design, acquisition and installation costs, equipment, materials, consultant's fees, legal fees, net temporary interest and other financing costs.

**Mansfield Middle School Heating Conversion** – An original appropriation and bond authorization in the amount of \$3,800,000 was approved by the Town Council on September 5, 2006 and by the voters at a referendum on November 7, 2006. A supplemental appropriation in the amount of \$800,000 was approved by the Town Council on October 26, 2009. The project includes the replacement of the current electrical heating system at the Mansfield Middle School with a natural gas system, including the design, acquisition, installation and construction cost, equipment, materials, engineering and consultant fees, legal fees, net temporary interest and other financing costs.

**Hunting Lodge Road Bikeway/Walkway** – An appropriation and bond authorization in the amount of \$105,250 was approved by the Town Council on August 24, 2009 and by the voters at referendum on November 3, 2009 for the construction of the Hunting Lodge Road Bikeway/Walkway including the construction and inspection of construction costs, materials, construction management costs, permits, legal fee, net temporary interest and other financing costs.

**Salt Storage Shed** – An appropriation and bond authorization in the amount of \$263,130 was approved by the Town Council on August 24, 2009 and by the voters at referendum on November 3, 2009 for the construction of a salt storage shed to be located at the Mansfield Public Works Department complex at 230 Clover Mill Road in Mansfield. The appropriation may be spent for design, construction, demolition, inspection of construction costs, materials testing, construction management costs, permits, legal fees, net temporary interest and other financing costs.

**Storrs Road and Flaherty Road Streetscape Improvements** – An appropriation and bond authorization in the amount of \$302,000 was approved by the Town Council on May 26, 2009 and by the voters at a Special Town Meeting on June 8, 2009 for walkway and streetscape improvements along the western side of Storrs Road (Conn. Route 195) approximately from its intersection with Bolton Road to the Liberty Bank Plaza property, walkway and streetscape improvements along Flaherty Road approximately from its northern intersection with Storrs Road to its intersection with Storrs Heights Road, and related work and improvements. The appropriation may be spent for design, acquisition, installation and construction costs, equipment, materials, engineering and other consultant fees, legal fees, net temporary interest and other financing costs.

**Various Equipment Acquisitions & Capital Maintenance** – An appropriation and bond authorization in the amount of \$93,000 was approved by the Town Council on August 9, 2010 and by the voters at Special Town Meeting on September 13, 2010 for costs with respect to various equipment acquisitions and capital maintenance, including the refurbishment and chassis changeover of two Ford F-350 trucks, the upgrade of hydraulic rescue equipment and the acquisition of a pickup truck. The appropriation may be spent for acquisition and capital maintenance costs, legal fees, net temporary interest and other financing costs.

**Various Town Facilities Improvements** – An appropriation and bond authorization in the amount of \$40,000 was approved by the Town Council on August 9, 2010 and by the voters at a Special Town Meeting on September 13, 2010 for costs with respect to various town facilities improvements, including acquisition and installation of ventilation units for the locker room at the Community Center, and town park improvements including playground equipment, picnic areas, ball fields, trails and facility improvements. The appropriation may be spent for design, construction and acquisition costs, materials, equipment, engineering and other consultant fees, legal fees, net temporary interest and other financing costs.

**Various Transportation Facilities Improvements** – An appropriation and bond authorization in the amount of \$130,000 was approved by the Town Council on August 9, 2010 and by the voters at a Special Town Meeting on September 13, 2010 for costs with respect to various transportation facilities improvements, including road drainage capital maintenance, large bridges capital maintenance, and transportation and walkway improvements such as bus stops, walkways and bikeways. The appropriation may be spent for design, construction, acquisition and capital maintenance costs, materials, equipment, engineering and other consultant fees, legal fees, net temporary interest and other financing costs, and other expenses related to the project.

**Four Corners Water & Sewer Project Design** – An appropriation and bond authorization in the amount of \$330,000 was approved by the Town Council on June 14, 2010 and by voters at a Special Town Meeting on June 28, 2010 for costs with respect to design of portions of the proposed Four Corners area water and sewer systems, including study, testing and permitting for water supply, design of a sewage pump station, and related work and financing costs. The appropriation may be spent for design costs, engineering and other consultant fees, legal fees, net temporary interest and other financing costs.

**Stone Mill Road and Laurel Lane Bridget Replacements** – An appropriation and bond authorization in the amount of \$2,735,000 was approved by the Town Council on August 23, 2010 and by the voters at referendum on November 2, 2010 for the design, construction and inspection of replacements to the Stone Mill Road and Laurel Lane bridges. The appropriation may be spent for design, demolition, construction and inspection of construction costs, materials, engineering and other consultant fees, legal fees, net temporary interest and other financing costs.



Use of Proceeds:

<b>Projects</b>	<b>Appropriation Authorization</b>	<b>The Bonds (This Issue)</b>
Community Center Gymnasium Air Conditioning	\$ 200,000	\$ 173,620
Mansfield Middle School Heating Conversion (1)	4,600,000	1,025,000
Hunting Lodge Rd Bikeway/Walkway	105,250	105,250
Salt Storage Shed	263,130	263,130
Storrs Rd and Flaherty Rd Streetscape Improvements	302,000	302,000
Various Equipment Acquisitions & Capital Maintenance	93,000	93,000
Various Town Facilities Improvements	40,000	40,000
Various Transportation Facilities Improvements	130,000	130,000
Four Corners Water & Sewer Project Design	330,000	330,000
Stone Mill Rd/Laurel Ln Bridge Replacements	2,735,000	378,000
<b>Total</b>	<b>\$ 8,798,380</b>	<b>\$ 2,840,000</b>

- (1) On November 7, 2006 the voters approved a \$3,800,000 referendum for the replacement of the electrical heating system at the Mansfield Middle School. Bids received for the project exceeded the original project budget and the Town Council subsequently passed a supplemental appropriation in the amount of \$800,000 to complete the project. The bond authorization for the project has not been increased and the additional costs will be funded from a combination of operating budget appropriations, transfers from the Capital Non-Recurring fund and state grant in aid.

**Optional Redemption**

The Bonds maturing on or before March 15, 2016 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2017 and thereafter are subject to redemption prior to maturity, at the option of the Town, at any time, either in whole or in part, in such amounts and in such order of maturity, but by lot within a maturity, as the Town may determine, at the redemption prices (expressed as a percentage of the par amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<b><u>Redemption Dates</u></b>	<b><u>Redemption Price</u></b>
March 15, 2016 and thereafter	100%

**Notice of Redemption**

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to The Depository Trust Company, or a successor securities depository, or DTC nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

## **Ratings**

The Town has made an application to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. The rating on the Town's outstanding bonds is currently "Aa2" by Moody's. Such ratings reflect only the views of such rating agencies and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Town's bonds and notes.

## **Security and Remedies**

The Bonds will be general obligations of the Town of Mansfield, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. On the last completed grand list of the Town of Mansfield there were 25 such acres of certified forest land. The Town may place a lien on the property for the amount of tax relief granted plus interest with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain on its power to tax such dwelling houses of qualified elderly persons of low income or qualified disabled persons.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order payment of a judgment on such bonds and notes from funds lawfully available therefore or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

**THE TOWN OF MANSFIELD, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

## **Qualifications for Financial Institutions**

The Bonds SHALL be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense incurred to carry the Bonds.

## **Book Entry Transfer System**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating of: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent

on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

### **Replacement Bonds**

The Town will provide for the issuance of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

### **DTC Practices**

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

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## **SECTION II - THE ISSUER**

### **Description of the Town**

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

The Town is served by three major highways: the Middle Post Road and Turnpike (Route 44), the Norwich-Tolland Turnpike (Route 195) and Interstate 84 for east-west access to Hartford and Boston. Mansfield is served by buses Bonanza/Peter Pan Bus Lines, Inc. from Hartford, Connecticut and Providence, Rhode Island; WRTD from Storrs and Windham and UCONN's Department of Parking and Transportation in the greater Storrs area.

Mansfield is also located within an hour's drive of Bradley International Airport in Windsor Locks, Connecticut and T.F. Greene Airport located south of Providence, Rhode Island.

The Town and the immediate region are 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, the University is a major employer for the Town and the surrounding region.

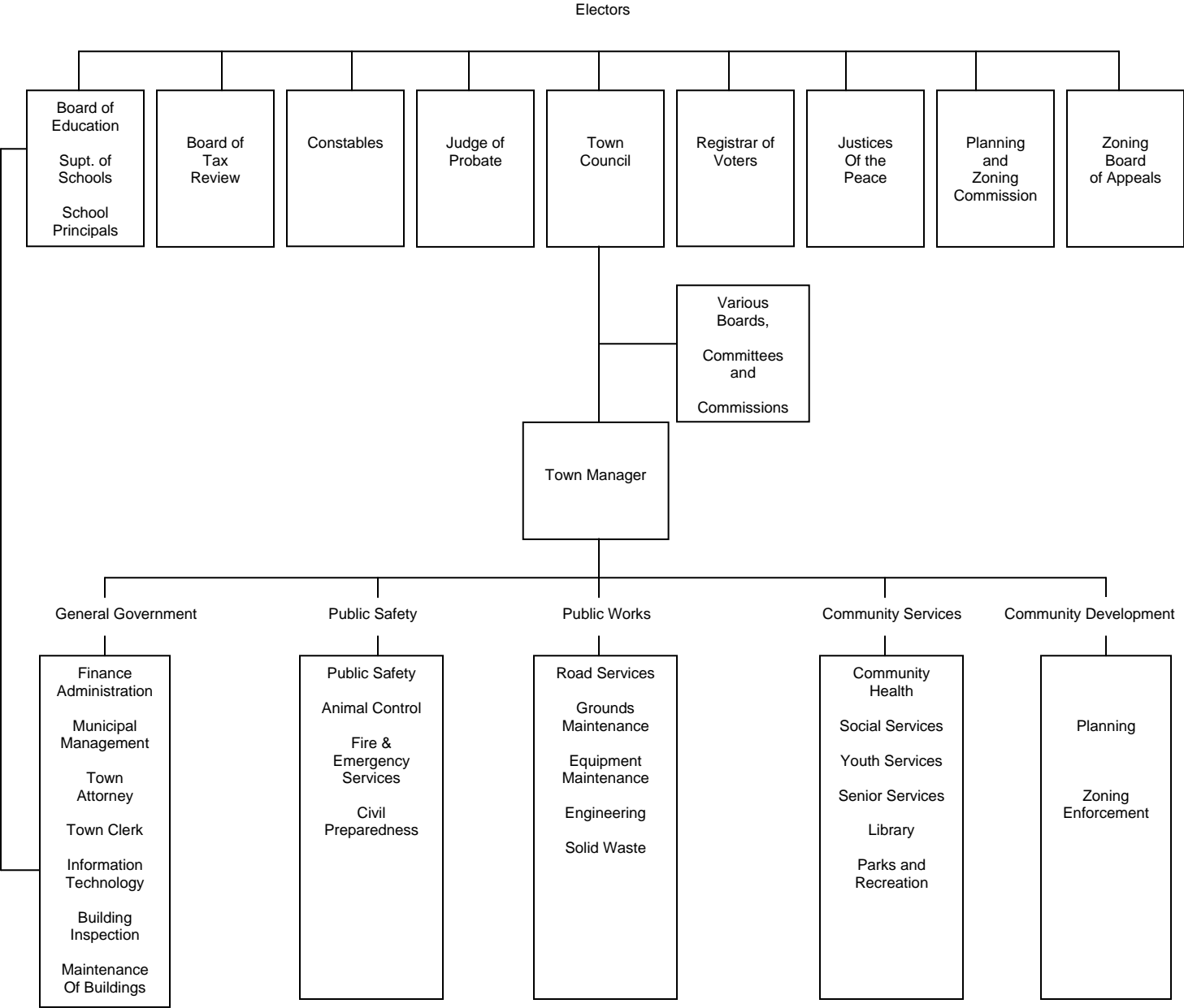
From January 1, 1990 through October 1, 2009, the Town has expended in excess of \$2.9 million to acquire open space land. During this period the Town has purchased thirty-one properties totaling over 1,014 acres of land. The Town currently owns over 2,600 acres of land exclusive of schools, cemeteries, and other municipal buildings.

### **Form of Government**

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.

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Organizational Chart



## Municipal Officials

<b>Town Council</b>	<b>Current Term Expires</b>
Elizabeth Paterson, Mayor	November, 2011
Antonia Moran, Deputy Mayor	November, 2011
William Ryan	November, 2011
Meredith Lindsey	November, 2011
Peter Kochenburger	November, 2011
Denise Keane	November, 2011
Carl Schaeffer	November, 2011
Christopher Paulhus	November, 2011
Paul Shapiro	November, 2011
<b>Other Officials</b>	
Matthew W. Hart, Town Manager	Appointed
Cheryl A. Trahan, Director of Finance	Appointed
Lon R. Hultgren, Director of Public Works	Appointed
Gregory Padick, Town Planner	Appointed
Fred Baruzzi, Superintendent of Schools	Appointed

## Principal Officials

### Town Manager: Matthew W. Hart

Mr. Hart is an accomplished manager and administrator with broad experience in local government, including leadership and project management, human resources and labor relations, as well as financial management and organizational development. Some of Mr. Hart's current responsibilities include a \$220 million downtown redevelopment project, a police services study and an exploration of various regional service sharing arrangements.

Prior to his appointment as Town Manager, Mr. Hart served as the Assistant Town Manager for the Town of Mansfield, and as Assistant to Town Manager in Windsor, Connecticut. Mr. Hart also has experience working in the private sector, and is a veteran of the US Army.

Mr. Hart is an active member of the International City Management Association (ICMA), serving on the organization's Government Affairs and Policy Committee. He is also an ICMA credentialed manager and past president of the Connecticut Town and City Management Association (CTCMA).

Mr. Hart earned his *Juris Doctor* (JD) and Master's in Public Administration (MPA) from the University of Connecticut, and his Bachelor's degree in political science from the State University of New York at Potsdam.

### Director of Finance: Cheryl A. Trahan

Ms. Trahan received her Bachelor's Degree in Business Administration with concentration in Accounting from Annhurst College in Woodstock, Connecticut in 1979. Ms. Trahan is a Certified School Business Manager and a member of the Government Finance Officers' Association. Ms. Trahan received a Certificate in Debt Management and a Certificate in Labor Negotiation and Contract Costing from the University of Connecticut, Department of Public Policy. She has been awarded the Certificate of Achievement for Excellence in Financial Reporting for both the Town of Mansfield and Regional School District 19 for over 8 years.

Ms. Trahan served as the Controller/Treasurer for the Town of Mansfield for fourteen years. On July 1, 2009 she was promoted to the Director of Finance. She is responsible for the purchasing, accounts payable, accounting, payroll, financial planning and policy making, budgeting, cash management, debt management, revenue collection, property assessment and financial reporting for the Town of Mansfield, Mansfield Board of Education, Region 19 Board of Education, Eastern Highlands Health District and Mansfield Downtown Partnership.

**Director of Public Works: Lon R. Hultgren**

Mr. Hultgren received a B.S. in Civil Engineering at the University of California, and completed his Master of Science degree at the University of Connecticut.

Mr. Hultgren's responsibilities include construction and maintenance of municipal facilities; maintenance of motorized equipment; capital improvement projects; and engineering. In 2001, Mr. Hultgren was named one of the "Top Ten Public Work Leaders of the Year" by the American Public Works Association (APWA). Since 1993, he has served as the Secretary/Treasurer of the New England Chapter of the APWA.

**Town Planner: Gregory Padick**

Mr. Padick holds a B.S. in Finance and an M.B.A. in Land Use Economics from the University of Connecticut. Mr. Padick's responsibilities include providing professional and technical advice concerning land use in Mansfield. The planner also generates, compiles, and communicates data and recommendations on the Town's demographic characteristics, grant programs, and other land use issues. Mr. Padick was appointed to his position in 1980.

**Superintendent of Schools: Frederick A. Baruzzi**

Mr. Baruzzi earned a Masters of Education at North Adams State College. Mr. Baruzzi is the superintendent for three elementary schools and one middle school, with enrollments totaling approximately 1,300 children.

Before starting in Mansfield as Superintendent in 2008, Mr. Baruzzi served as Mansfield's Assistant Superintendent for Curriculum, Instructions and Assessment for 15 years.

**Summary of Municipal Services**

**Police Protection:** The Town is provided patrol coverage by eight Resident State Troopers and one Resident State Trooper Sergeant under the State of Connecticut Resident State Trooper Program. Additional protection is provided by four part-time Town Officers supervised by the State Police. The Town Manager acts as the Director of Public Safety. The University of Connecticut provides its own police protection.

**Fire Protection:** The Town of Mansfield has a municipal department of fire and emergency services which provides fire protection and emergency medical services through a combination of paid and volunteer firefighters/EMTs. The department also provides fire and life safety education and fire marshal services. The combination workforce operates out of three fire stations which are staffed twenty-four (24) hours per day.

The combination workforce currently consists of twelve full-time and thirteen part-time firefighters/EMTs that are Town employees. The Town employees are complemented by the service and support provided by a volunteer association of firefighters/EMTs.

The University of Connecticut, which is located within the Town, provides for its own fire protection. However, the Town has cooperative assistance agreements with the University of Connecticut fire department as well as fire departments in neighboring towns.

**Public Works:** The Department of Public Works provides a number of services: Public Works Administration, Road Services, Grounds Maintenance, Recycling and Waste Disposal, Equipment Maintenance, and Engineering.

All major public improvements such as bridge replacement, street reconstruction, storm water drains, and public buildings are constructed under contracts awarded to the lowest qualified bidder after public advertising.

There are 107.3 miles of town roads which are maintained, patched, cleaned and cleared of snow and storm damage. There are 93 acres of turf, 19 parking areas and 31 athletic fields that are also maintained by the Department of Public Works.

**Refuse and Recycling Programs:** The Town of Mansfield contracts with Willimantic Waste Paper Co., Inc. for refuse collection and disposal. Solid waste tipping fees are \$69.25 per ton.

The Town contracts with two private collectors for refuse and recycling pickup, one of which is utilized for single family home collection and the other for multifamily home collection. The collectors transfer the refuse to Willimantic Waste Paper



Co., Inc. who then invoices the Town monthly for the refuse received. The Town invoices individual homeowners and apartment owners based upon their collection contracts, per quarter, in advance.

Since 1990, the Town has had curbside recycling and solid waste pickup. The Town's contractors pick-up recyclables at the curb on a contract basis. Homeowners that do not use collection services may bring their refuse to the Town's transfer station where they are charged for each bag of refuse or cubic yard of bulky waste delivered. It is the policy of the Town to maintain fees at a level that they cover the cost of disposal and handling of the refuse. The Town's bulky waste landfill was closed in 2003 and residential bulky waste is now transferred to a regional bulky waste processing facility in Windham.

On July 1, 1988 the Town created a solid waste enterprise fund; the fund is self-supporting and does not require a General Fund contribution. Retained earnings in the fund, as well as a \$225,000 grant from the State of Connecticut, were used to fund the cost of closing the bulky waste landfill.

**Human Services:** The Mansfield Department of Human Services exists to enhance the well-being and to help meet the basic human needs of all residents. This is accomplished by offering a wide range of services and by working in collaboration with other community and area agencies. The department pays particular attention to the needs and empowerment of residents who are potentially at risk or in need of services. The Department assists residents through three service divisions: Adult Services, Senior Services and Youth Services. The Town also provides a number of direct and indirect support services to a local non-profit daycare located in Mansfield.

**Public Health Services:** Public health services are provided by the Eastern Highlands Health District which was formed on June 7, 1997. The District now provides full-time public health services to ten communities, including Mansfield (one of three original members of the District). The staff is comprised of administrative and support staff, sanitarians, environmental health inspectors, a Health Educator, and other interim project-based positions (mostly supported through grant funds). The scope of services includes all of the mandated environmental health services such as restaurant inspection, soil testing and septic system inspection. As a full time professional health department, the District provides programs in public health education, communicable disease control, housing and nuisance complaints. In addition, the District works very closely with other area charitable, social and health organizations to ensure that basic public health services are being provided to the community.

**Health:** Mansfield is served by Windham Community Memorial Hospital, a 175-bed facility located in Windham. The Town is also within an hour of four major teaching hospitals: Hartford Hospital, Yale New Haven Medical Center, Farmington Health Center, and Massachusetts General.

#### **Parks and Recreation:**

The Parks and Recreation department enhances the quality of life for the community by providing a variety of leisure opportunities, promoting health and wellness, increasing cultural awareness, protecting natural resources, and developing the recreational needs and interests of area residents. The Department also oversees management plans for parks, preserves and open space.

The Department supervises and operates the Mansfield Community Center, \$7.6 million facility opened in 2003. The Community Center includes a six-lane 25 yard swimming pool, therapy pool, suspended walking/jogging track, fitness center, arts & crafts room, teen center, child care room, dance and aerobic studio, meeting rooms and locker/changing rooms. The Community Center provides area residents with a friendly and vibrant recreational facility by promoting health and wellness, encouraging family activity, strengthening sense of community, and stimulating active living.

**Library:** The Town maintains a library with a full-time Director of Library Services, responsible to the Town Manager. Mansfield Public Library serves as the popular materials library for the Town of Mansfield, providing recreational reading materials and information resources in a wide variety of formats. Other services provided are preschool programs, a reference service, and special summer programs. The Library Board consists of nine residents appointed by the Town Manager with overlapping terms.

**Sewage:** Town sewage is primarily treated through individual septic systems. However, portions of the Town are serviced by sewers that connect to the Town of Windham and the University of Connecticut waste disposal facilities. The construction and enlargement of Windham's plant was funded partially by a subsidy from the Town of Mansfield.

**Water:** Town residents are primarily serviced by individual wells, however, a portion of the residents are serviced by the Town of Windham's water system. The elderly complexes and municipal buildings are serviced by the University of Connecticut's water system. Accounting for both sewer and water systems is handled in an enterprise fund. It is the intention of the Town that the users shall bear the cost of the service being provided.

**Affordable Housing:** During the latter part of the 1970's, the Town created a Housing Authority to provide for elderly and low and middle income housing. The Mansfield Housing Authority consists of five members who are appointed by the Town Council for staggered five-year terms. The Housing Authority has developed Wright's Village, a 40-unit complex for low income senior citizens. In addition to this project, the Housing Authority has also completed building Holinko Estates, a 35-unit complex for low and moderate income families. Two small cities grants were utilized in association with this project. The Housing Authority also receives funds under the HUD Federal Housing Assistance Payments Program (Section 8) to help about 76 families meet their rental expenses in existing housing.

In addition to the housing provided by the Mansfield Housing Authority, Juniper Hill Village, a private federally subsidized complex for the elderly, owned and operated by the Mansfield Retirement Community, provides 100 apartment units. It is also important to note that Mansfield housing stock includes over 1,500 multi-family units and 284 mobile manufactured units. These units, many of which are occupied by low and moderate income individuals, constitute over one-third of Mansfield's total housing units.

The Town utilizes Community Development Block Grant (small cities via CT DECD) funds for a local housing rehabilitation program that provides no-interest loans to eligible low and moderate income homeowners. Since 1993, \$1,300,000 has been secured for this rehabilitation program.

**Financial Institutions:** The Banks/financial institutions serving Mansfield are: Liberty Bank, New Alliance Bank, People's United Bank, Bank of America, TD Bank, National Association and the Savings Institute Bank and Trust Company.

### **Educational System**

The Town's school system consists of four schools for pupils in grades K through 8. Grades 9-12 are under the jurisdiction of Regional School District No. 19.

The Board of Education of the Town of Mansfield is independent of the municipal government in governance and operation of the school system. The Board of Education is required by State Law and Town Charter to submit an annual budget to the Town Council for approval. The school budget is included with the Town's operating budget and submitted to the Annual Town Meeting for budget consideration for final approval. The school budget cannot be amended by line item by either the Town Council or the Town Meeting; only the total amount may be changed.

The facilities and offices of Regional School District Number 19 (E. O. Smith High School), are located in the Town of Mansfield. The District services the Towns of Ashford, Mansfield and Willington. District administrative offices are located in Mansfield. The District presently serves all of the public school population within the Member Towns in grades nine through twelve. Regional School District Number 19 also offers a non-traditional, internship based curriculum located off-site at the Depot Campus.

### **Higher Education**

Mansfield is the home of the University of Connecticut, a major land grant university. The University of Connecticut was founded in 1881 as Storrs Agricultural School. In 1939, it became The University of Connecticut, and the Graduate School was established. The University has a Medical School located in Farmington, a School of Law in Hartford, a School of Social Work in West Hartford, a Marine Sciences Institute at Noank, and an Agricultural Extension program. There are four undergraduate regional campuses located in Connecticut. The University Library system contains the largest publicly-supported collection of research materials in Connecticut. The University provides public cultural facilities, including the Benton Museum of Art, Jorgenson Auditorium and Theater, Von de Mahden Recital Hall, Atrium Gallery, Museum of Natural History, and Mobius Environmental Theater. The University is currently undergoing a \$2.6 billion expansion/renovation project. See "Economic Development" herein.

## Educational Facilities

<b>School</b>	<b>Grades</b>	<b>Date Construction/ (Improvements)</b>	<b>Number of Classrooms</b>	<b>Enrollment 10/1/2010</b>	<b>Capacity</b>
Southeast School	K-4	1957 (1965)(1990)(2003)	14	264	252
Vinton School	K-4	1952 (1965)(1990)	15	273	265
Goodwin School	K-4	1957 (1965)(1990)	15	203	315
Mansfield Middle School	5-8	1969 (1990) (1999)	55	585	800
E. O. Smith High School	9-12	1958 (1968, 1986, 1999)	89	636 (1,2)	1,200
<b>Total</b>				<u>1,961</u>	<u>2,832</u>

(1) Mansfield students only. Total enrollment is 1,210 comprising the towns of Mansfield, Ashford and Willington.

(2) Includes 27 students attending non-traditional, internship based program at E.O. Smith Depot Campus.

## Enrollment History

<b>Actual</b>					
<b>As of October 1</b>	<b>Pre-K</b>	<b>K-4</b>	<b>5-8</b>	<b>9 - 12</b>	<b>Total</b>
2001-02	67	682	668	631	2,048
2002-03	66	696	649	661	2,072
2003-04	68	669	677	655	2,069
2004-05	66	652	658	657	2,033
2005-06	66	624	624	650	1,964
2006-07	61	665	606	671	2,003
2007-08	67	642	593	658	1,960
2008-09	63	635	580	656	1,934
2009-10	90	619	562	635	1,906
2010-11	90	650	585	636	1,961
<b>Projected</b>					
<b>As of October 1</b>	<b>Pre-K</b>	<b>K-4</b>	<b>5-8</b>	<b>9 - 12</b>	<b>Total</b>
2011-12	90	654	586	623	1,953
2012-13	90	655	588	597	1,930
2013-14	90	648	585	589	1,912
2014-15	90	628	585	563	1,866
2015-16	90	600	601	578	1,869

Source: Town of Mansfield Department of Education; Regional School District # 19.

**Municipal Employees**

(Full-time Equivalent Positions)

<b>Fiscal Year</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Board of Education	260.0	260.8	264.8	266.4	268.6
General Government	108.8	107.7	109.7	114.7	113.2
<b>Total</b>	<b>368.8</b>	<b>368.5</b>	<b>374.5</b>	<b>381.1</b>	<b>381.8</b>

**Municipal Employees by Category**

<b>Department</b>	<b>Full-time Equivalent Positions</b>
Town Manager/Human Resources	3
Registrar	1.4
Town Clerk	3
Finance	8.4
Police Protection	11.1 (1)
Canine Control	1.8
Fire Marshal/Emergency Management	2.5
Fire & Emergency Services	18.5
Public Works	23.2
Building & Housing Inspection	3.9
Facilities Management	5.7
Human Services	9.7
Library	10
Parks & Recreation	3.6 (2)
Planning	3
Education	260
<b>Total Full-time Equivalent Positions</b>	<b>368.8</b>

- (1) The Town contracts with the State of Connecticut for nine full-time resident State Troopers. The Town pays approximately 70% to 75% of the State's cost.
- (2) Excludes 44 employees of Recreation Department who work at the Community Center, which is accounted as a self-supporting enterprise fund, and as such is not supported by general taxation.

## Municipal Employee Collective Bargaining Representation

<u>Department</u>	<u>Organization</u>	<u>Number of Employees Represented</u> <sup>(1)</sup>	<u>Contract Expiration Date</u>
<u>General Government</u>			
Public Works	Connecticut State Employees Association	20	June 30, 2013
Firefighters/EMTs	International Association of Firefighters	24	June 30, 2010 <sup>(2)</sup>
Clerical/Professional	Connecticut State Employees Association	32	June 30, 2013
Cafeteria/Custodians	UPSEU	5	June 30, 2012
	Sub-Total Union General Government	81	
Non –Union Regular	N/A	40	N/A
	<b>Total General Government</b>	<b>121</b>	
<u>Board of Education</u>			
Teachers	Connecticut Education Association	133	June 30, 2014
Cafeteria/Custodians	UPSEU	14	June 30, 2012
Administrators	Mansfield Administrators Association	6	June 30, 2012
Instructional Assistants	Connecticut State Employees Association	75	June 30, 2011
Nurses	Mansfield School Nurses Association	4	June 30, 2012
Secretary	Mansfield Secretary Association	15	June 30, 2011
	Sub-Total Union Board of Education	247	
Non –Union Regular	N/A	13	N/A
	<b>Total Board of Education</b>	<b>260</b>	
	<b>Total All Governmental Units</b>	<b>381</b>	

(1) Represents actual number of employees. Some positions are partially funded by the general fund and special revenue funds.

(2) In negotiation.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee's organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## Economic Development

The Town of Mansfield is presently engaged in two major economic development projects and the University of Connecticut is continuing construction on-campus through the UConn 2000/21<sup>st</sup> century program.

### *Town of Mansfield initiatives*

The Town and its private sector partners Storrs Center Alliance, Inc. (SCA) and Education Realty Trust, Inc. (EDR) are scheduled to break ground in the spring of 2011 on Phase 1A of the Storrs Center Downtown Development project, to be followed by Phase 1B in spring 2012. This award-winning project is designed to create a mixed-use village center for Mansfield and the University of Connecticut community. Phase 1A/1B will feature approximately 290 apartments, with studio, and 1-3 bedroom units, as well as 80,000 square feet of retail and commercial construction. Using \$23 million in state and federal grant monies, the Town will construct and own much of the infrastructure serving the project, including a Town Square, parking garage and intermodal center. SCA will own and lease the retail/commercial space, and has received 12 letters of intent (LOI's) from a mix of local, regional and national tenants. As a real estate investment trust (REIT), EDR will own and operate the residential component of 1A/1B. These quality apartments will feature granite countertops, stainless steel appliances and other amenities typical of a first-class complex. The cost to construct the SCA/EDR improvements for Phase 1A/1B is estimated at \$62 million, which will add approximately four-percent to the Town's existing grand list. On the basis of this investment, EDR and SCA will become Mansfield's largest taxpayers. Additional phases are planned for Storrs Center, including an interior Village Street with exciting retail opportunities, a Market Square featuring a grocery store and related amenities as well as a residential neighborhood with townhouses and condominiums.

The historic village of the Four Corners is located in the vicinity of the intersection of Routes 44 and 195 in Mansfield. This area is presently plagued by vacant commercial properties, primarily due to failing septic systems and the lack of public water and sewer. The Four Corners does have tremendous potential to serve as a gateway and important commercial area for Mansfield and the University of Connecticut. Realizing the potential for this area and to address the environmental issues caused by the failing septic systems, the Town has embarked upon a project to provide public water supply and wastewater systems to the Four Corners. In the FY 2010/11 Capital Improvement Program, the Town budgeted \$330,000 to be used for engineering and permitting expenditures related to the project. Drawing on this funding source, the Town has hired an engineering firm that is in the process of preparing a water source study to identify viable options for a water supply. (The University will allow a connection to its wastewater system.) The preliminary cost estimates for the water and wastewater systems, including a sewage pump station and a water supply source, total approximately \$10.1 million. The projected cost of the sewers is \$5.1 million including the pipelines within the district and the pump station. The preliminary cost for the water system is estimated at \$5 million if water can be obtained locally or from the Willimantic River. Town staff has conducted a preliminary fiscal impact analysis of the properties that are most likely to develop/redevelop after public sewer and water systems are constructed. After the demand for additional Town services is deducted, this analysis projects a net of \$4 million in additional tax revenue to Mansfield over the next 20 years. Like Storrs Center, the Four Corners project will allow Mansfield to redevelop an existing commercial area and provide additional goods and services to its residents, while enhancing its grand list.

### *University of Connecticut initiatives*

With its ongoing UConn 2000/21<sup>st</sup> Century UConn Infrastructure Improvement Program, the University of Connecticut is continuing its significant physical transformation. The "UConn 2000" program was authorized in 1995 and expanded in 2002. This three-phase project, which has a 2018 completion date, will fund an estimated \$2.6 billion in capital improvements. As of October 2010, Phases 1 and 2 have been completed and Phase 3 projects are underway. To date, the state has authorized \$1.574 billion for ninety-six (96) projects.

Projects recently completed or under construction in Mansfield include: a \$10 million renovation of the School of Education; a \$3.4 million addition/renovation to the Benton Art Museum; a \$2.2 million renovation of the Jorgensen Auditorium; a \$95 million classroom and academic office replacement project; over \$40 million in landscaping, recreational field, street and sidewalk work; and numerous other building site and infrastructure improvements.

University of Connecticut projects currently being designed and expected to start construction within the next few years include: a \$29 million water reclamation facility; a \$5 million renovation of the commons portion of the Student Union; a \$6 million renovation of the Continuing Education Building "Bishop Center"; a new \$3.3 million Recreation Center; a \$22 million Psychology Building addition/renovation; a \$125 million Biology Building expansion/renovation; a \$15 million addition/renovation to the School of Agriculture "Young Building"; over \$5 million of renovations to engineering and physics buildings; a \$5 million Floriculture Greenhouse, and a \$13.4 million addition to Storrs Hall classroom/office building and numerous other building, site and infrastructure improvements.

While the University of Connecticut projects will not generate property tax dollars for Mansfield, these initiatives will add to the base used to calculate the Town's award under the State's payment in lieu of taxes (PILOT) statutory grant program. The UConn projects will also provide construction jobs and otherwise stimulate the local and regional economy.

## SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

### Population Trends

<u>Year</u>	<u>Town of Mansfield (1)</u>	<u>Tolland County</u>	<u>State of Connecticut</u>
1960	14,638	68,737	2,535,234
1970	19,994	103,440	3,032,217
1980	20,634	114,823	3,107,576
1990	21,103	128,699	3,287,116
2000	20,720	136,364	3,405,565
2009	25,268	150,461	3,518,288

(1) Includes UCONN students residing in dormitories and inmates at Northeast Correction Center.

Source: U.S. Department of Commerce, Bureau of Census; State of Connecticut, Department of Health.

### Age Characteristics of Population

<u>Age</u>	<u>Town of Mansfield (1)</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5	600	2.9	223,344	6.6
5 - 19	6,094	29.4	702,358	20.6
20 - 24	5,348	25.8	187,571	5.5
25 - 44	3,919	18.9	1,032,689	30.3
45 - 64	2,920	14.1	789,420	23.2
65 - and over	1,839	8.9	470,183	13.8
Total	20,720	100.0	3,405,565	100.0
Median Age	22.0		37.4	

(1) Includes UCONN students residing in dormitories and inmates at Northeast Correction Center.

Source: U. S. Department of Commerce, Bureau of the Census, 2000

### Selected Wealth and Income Indicators

	<u>Median Family Income (1990)</u>	<u>Median Family Income (2000)</u>	<u>Per Capita Income (1990)</u>	<u>Per Capita Income (2000)</u>
Town of Mansfield (1)	\$50,158	\$69,661	\$13,502	\$18,094
Tolland County	\$51,436	\$70,856	\$17,849	\$25,474
Connecticut	\$49,199	\$65,521	\$20,189	\$28,766
United States	\$35,353	\$49,600	\$14,617	\$21,690

(1) Includes UCONN students residing in dormitories

Source: U.S. Department of Commerce, Bureau of Census.

### Income Distribution

	<u>Town of Mansfield (1)</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ -0- to 9,999	78	2.5	33,423	3.8
10,000 to 14,999	111	3.5	23,593	2.7
15,000 to 24,999	188	5.9	63,262	7.1
25,000 to 34,999	238	7.6	75,413	8.5
35,000 to 49,999	387	12.3	120,134	13.6
50,000 to 74,999	705	22.4	198,924	22.5
75,000 to 99,999	584	18.6	141,981	16
100,000 to 149,999	560	17.8	132,177	14.9
150,000 to 199,999	156	5.0	42,472	4.8
200,000 or more	140	4.4	54,368	6.1
	3,147	100.0	885,747	100.0

(1) Includes UCONN students residing in dormitories and inmates at Northeast Correction Center.

Source: U.S. Department of Commerce, Bureau of the Census, 2000

## Educational Attainment

	<b>Town of Mansfield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade	247	2.8	132,917	5.8
9th to 12th grade	506	5.8	234,739	10.2
High school graduate	1,799	20.7	653,300	28.5
Some college, no degree	968	11.2	402,741	17.5
Associate degree	462	5.3	150,926	6.6
Bachelors degree	1,625	18.7	416,751	18.2
Graduate or professional degree	3,073	35.5	304,243	13.2
<b>Totals</b>	<b>8,680</b>	<b>100.0</b>	<b>2,295,617</b>	<b>100.0</b>
Percent of High School Graduates		91.3%		84.0%
Percent of College Graduates		54.1%		31.4%

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

## Employment by Industry

<b>Employment Sector</b>	<b>Town of Mansfield</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fisheries, mining	124	1.2	7,445	0.5
Construction	310	3.0	99,913	6.0
Manufacturing	488	4.7	246,607	14.8
Wholesale Trade	120	1.2	53,231	3.2
Retail Trade	824	8.0	185,633	11.2
Transportation, Warehousing, Utilities	158	1.5	64,662	3.9
Information	328	3.2	55,202	3.3
Finance, Insurance, Real Estate, Rental & Leasing	494	4.8	163,568	9.8
Professional, Scientific, Management, Administrative & Waste Management	669	6.5	168,334	10.1
Educational, Health & Social Services	4,780	46.4	366,568	22.0
Arts, Entertainment, Recreation				
Accommodation & Food	1,314	12.8	111,424	6.7
Other services	315	3.1	74,499	4.5
Public Administration	379	3.7	67,354	4.0
<b>Total Labor Force, Employed</b>	<b>10,303</b>	<b>100.0</b>	<b>1,664,440</b>	<b>100.0</b>

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

## Major Employers

<b>Name of Employer</b>	<b>Nature of Entity</b>	<b>Estimated Number of Employees</b>
University of Connecticut	University	5,017
Town of Mansfield	Government	369
Department of Corrections	Northeast Correctional Center	240
Regional School District #19	High School Education	173
<b>Total</b>		<b>5,799</b>

Source: Town Officials



## Unemployment Rate Statistics

<u>Average</u>	<u>Town of Mansfield</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2001	1.6%	3.3%	3.3%	4.8%
2002	2.1%	4.5%	4.3%	5.8%
2003	2.5%	5.9%	5.5%	5.8%
2004	3.4%	5.2%	4.9%	5.5%
2005	3.9%	5.1%	4.9%	5.1%
2006	3.8%	4.4%	4.3%	4.6%
2007	4.0%	4.7%	4.6%	4.6%
2008	5.8%	4.6%	5.7%	5.8%
2009	5.9%	8.1%	8.0%	9.3%
2010	7.4%	9.1%	9.0%	9.6%

Source: United States Department of Labor, Bureau of Labor Statistics.

## Building Permits

<u>Fiscal Year Ending 6/30</u>	<u>Residential (1)</u>		<u>Commercial</u>		<u>Total</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2011 (2)	186	\$3,641,224	21	\$ 502,709	207	\$4,143,933
2010	329	9,177,618	39	2,226,262	368	11,403,880
2009	336	9,422,558	34	6,336,528	370	15,759,086
2008	350	11,195,490	41	2,582,897	391	13,778,387
2007	375	20,055,496	31	3,775,590	406	23,831,086
2006	386	19,596,822	30	2,142,074	416	21,738,896
2005	297	12,231,169	52	6,201,528	349	18,432,697
2004	229	13,396,392	48	3,616,543	277	17,012,935
2003	281	9,626,738	25	1,555,383	306	11,182,121
2002	359	11,147,163	31	1,067,880	390	12,215,043

(1) Includes multi-family units.

(2) As of February 5, 2011.

Source: Town Building Official.

## Number of Dwelling Units (1)

<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>% Change 1970-2000</u>	<u>% Change 1980-2000</u>	<u>% Change 1990-2000</u>
3,784	4,550	5,158	5,481	44.8%	20.5%	6.3%

(1) Does not include student dormitories.

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

## Characteristics of Housing Units

<u>Value of Owner Occupied Units</u>	<u>Town of Mansfield</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$ 0 to \$ 50,000	24	0.9	5,996	0.8
50,000 to 99,999	242	9.4	85,221	11.7
100,000 to 149,999	1,124	43.4	212,010	29.1
150,000 to 199,999	695	26.9	156,397	21.5
200,000 to 299,999	393	15.2	137,499	18.9
300,000 to 499,999	109	4.2	79,047	10.9
500,000 to 999,999	0	0.0	38,168	5.2
1,000,000 and over	0	0.0	13,906	1.9
Total	<u>2,587</u>	<u>100.0</u>	<u>728,244</u>	<u>100.0</u>

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

## Age Characteristics of Housing

<u>Year Built</u>	<u>Town of Mansfield</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier	809	14.7	308,896	22.3
1940 to 1959	1,105	20.2	359,042	25.9
1960 to 1969	1,037	18.9	212,176	15.4
1970 to 1979	957	17.4	203,377	14.7
1980 to 1989	915	16.7	183,405	13.2
1990 to 1994	389	7.1	56,058	4.0
1995 to 1998	222	4.1	47,028	3.4
1999 to March 2000	47	0.9	15,993	1.1
	<u>5,481</u>	<u>100.0</u>	<u>1,385,975</u>	<u>100.0</u>

Source: U. S. Department of Commerce, Bureau of the Census, 2000.

## Breakdown of Land Use

<u>Land Use Category</u>	<u>Total Area</u>		<u>Developed</u>		<u>Undeveloped</u>	
	<u>Acreage</u>	<u>Percent</u>	<u>Acreage</u>	<u>Percent</u>	<u>Acreage</u>	<u>Percent</u>
Farm/Forest	8,192	31.7	0	0.0	8,192	31.7
Residential	10,225	39.6	4,955	19.2	5,270	20.4
Commercial	859	3.3	587	2.3	272	1.1
Industrial	23	0.1	23	0.1	0	0.0
Public Utilities	160	0.6	160	0.6	0	0.0
Public and Tax Exempt	6,355	24.6	662	2.6	5,693	22.1
Total	<u>25,814</u>	<u>100.0</u>	<u>6,387</u>	<u>24.7</u>	<u>19,427</u>	<u>75.3</u>

(1) Includes all vacant and excess acreage.

Source: Town Officials.

## SECTION IV - INDEBTEDNESS

### Computation of Debt Limit and Debt Margin

As of March 22, 2011 (Pro Forma)

Total Fiscal Year 2010 tax collections, including interest and lien fees (unaudited)	\$23,928,741
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly	2,000
Base for Establishing Debt Limit	<u>\$23,930,741</u>

<b>Debt Limitation (1)</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>	<b>Total Debt</b>
(2.25 times base)	\$ 53,844,167					
(4.50 times base)		\$107,688,335				
(3.75 times base)			\$ 89,740,279			
(3.25 times base)				\$ 77,774,908		
(3.00 times base)					\$ 71,792,223	
(7.00 times base)						\$167,515,187
<b>Indebtedness (Including <i>This Issue</i>)</b>						
Bonds Payable	\$ 1,190,000	\$ 330,000	\$ -	\$ -	\$ -	\$ 1,520,000
The Bonds ( <i>This Issue</i> )	1,485,000	1,025,000	330,000	-	-	2,840,000
Authorized but						-
Unissued Debt	3,423,380	635,944	-	-	-	4,059,324
Gross Direct Debt	6,098,380	1,990,944	330,000	-	-	8,419,324
School grants receivable (2)	-	(763,978)	-	-	-	(763,978)
Net Overlapping Debt						
RSD 19 (3)	-	2,477,907	-	-	-	2,477,907
Total Net Direct and						
Overlapping Debt	6,098,380	3,704,873	330,000	-	-	10,133,253
Excess of Limit Over						
Outstanding and						
Authorized Debt	\$ 47,745,787	\$103,983,462	\$ 89,410,279	\$ 77,774,908	\$ 71,792,223	\$157,381,934

- (1) Under Connecticut General Statutes, Town debt cannot exceed \$167,515,187 or seven times the debt limit base.
- (2) The Town expects to receive \$763,977 in proportional progress payments from the State of Connecticut for on-going school construction projects. The Town has no outstanding bonds which are reimbursed under the prior school construction grant program. (See "School Construction Projects" herein.)
- (3) Prorated share (56.82%) of the District's total net direct indebtedness.

Source: Town officials.

## Calculation of Net Direct Indebtedness

As of March 22, 2011 (Pro Forma)

<b>Bonded Indebtedness (1)</b>	
The Bonds ( <i>This Issue</i> )	\$ 2,840,000
General Improvement	1,190,000
Schools	330,000
Sewers	-
<b>Total Bonded Indebtedness</b>	<b>4,360,000</b>
<b>Short-Term Indebtedness</b>	
Notes Payable	-
<b>Total Direct Indebtedness</b>	<b>4,360,000</b>
<b>Exclusions:</b> (State School Construction Aid) (2)	-
<b>Net Direct Indebtedness</b>	<b>4,360,000</b>
<b>Overlapping Indebtedness</b> (56.8% RSD #19)	<b>2,477,907</b>
<b>Net Direct Plus Overlapping Indebtedness</b>	<b>\$ 6,837,907</b>

(1) Excludes \$4,059,324 of authorized but unissued debt.

(2) The Town has no outstanding bonds which are reimbursed under the prior school construction grant program. (See "School Construction Projects" herein.)

Source: Town officials

## Current Debt Ratios

As of March 22, 2011 (Pro Forma)

Total Direct Indebtedness	\$ 4,360,000
Net Direct Indebtedness	\$ 4,360,000
Net Direct Plus Overlapping Indebtedness	\$ 6,837,907
Population (1,2)	25,268
Net Taxable Grand List (10/1/09)	\$ 975,945,400
Estimated Full Value	\$ 1,394,207,714
Equalized Net Taxable Grand List (2008) (3)	\$ 1,457,680,568
Per Capita Income (1999) (4)	\$ 18,094
<b>Total Direct Debt:</b>	
Per Capita	\$172.55
To Net Taxable Grand List	0.45%
To Estimated Full Value	0.31%
To Equalized Net Taxable Grand List	0.30%
Per Capita to Per Capita Income	0.95%
<b>Net Direct Debt:</b>	
Per Capita	\$172.55
To Net Taxable Grand List	0.45%
To Estimated Full Value	0.31%
To Equalized Net Taxable Grand List	0.30%
Per Capita to Per Capita Income	0.95%
<b>Net Direct Plus Overlapping Indebtedness:</b>	
Per Capita	\$270.62
To Net Taxable Grand List	0.70%
To Estimated Full Value	0.49%
To Equalized Net Taxable Grand List	0.47%
Per Capita to Per Capita Income	1.50%

(1) State of Connecticut, Department of Health.

(2) Includes UCONN students residing in dormitories and inmates at Northeast Correction Center.

(3) Office of Policy and Management, State of Connecticut

(4) U.S. Department of Commerce, Bureau of Census, Census 2000.

## Historic Debt Statement

	2009-10	2008-09	2007-08	2006-07	2005-06
Population (1)	25,268	25,236	24,628	24,830	24,647
Net taxable grand list	\$ 933,280,260	\$ 927,749,626	\$ 914,191,034	\$ 892,269,810	\$ 874,995,660
Estimated full value	\$1,333,257,514	\$1,325,356,609	\$1,305,987,191	\$1,274,671,157	\$1,249,993,800
Equalized net taxable grand list (2)	\$1,457,680,568	\$1,454,525,357	\$1,480,091,334	\$1,509,256,266	\$1,239,359,901
Per capita income (3)	\$ 18,094	\$ 18,094	\$ 18,094	\$ 18,094	\$ 18,094
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt	\$ 1,520,000	\$ 1,975,000	\$ 2,505,000	\$ 3,165,000	\$ 3,970,000
Total Direct Indebtedness	\$ 1,520,000	\$ 1,975,000	\$ 2,505,000	\$ 3,165,000	\$ 3,970,000
Net Direct Indebtedness	\$ 1,520,000	\$ 1,975,000	\$ 2,610,219	\$ 3,451,012	\$ 4,551,474
Overlapping debt	\$ 2,477,034	\$ 2,922,611	\$ 3,069,643	\$ 3,241,991	\$ 3,365,321
Net Direct Plus Overlapping Indebtedness	\$ 3,997,034	\$ 4,897,611	\$ 5,679,862	\$ 6,693,003	\$ 7,916,795

(1) State of Connecticut, Department of Health.

(2) Office of Policy and Management, State of Connecticut

(3) U.S. Department of Commerce, Bureau of Census, Census 2000.

## Historic Debt Ratios

<b>Total Direct Indebtedness:</b>	2009-10	2008-09	2007-08	2006-07	2005-06
Per capita	\$60.16	\$78.26	\$101.71	\$127.47	\$161.07
To net taxable grand list	0.16%	0.21%	0.27%	0.35%	0.45%
To estimated full value	0.11%	0.15%	0.19%	0.25%	0.32%
To equalized net taxable grand list	0.10%	0.14%	0.17%	0.21%	0.32%
Debt per capita to per capita income	0.33%	0.43%	0.56%	0.70%	0.89%

### **Net Direct Indebtedness:**

Per capita	\$60.16	\$78.26	\$105.99	\$138.99	\$184.67
To net taxable grand list	0.16%	0.21%	0.29%	0.39%	0.52%
To estimated full value	0.11%	0.15%	0.20%	0.27%	0.36%
To equalized net taxable grand list	0.10%	0.14%	0.18%	0.23%	0.37%
Debt per capita to per capita income	0.33%	0.43%	0.59%	0.77%	1.02%

### **Net Direct Plus Overlapping Indebtedness:**

Per capita	\$158.19	\$194.07	\$230.63	\$269.55	\$321.21
To net taxable grand list	0.43%	0.53%	0.62%	0.75%	0.90%
To estimated full value	0.30%	0.37%	0.43%	0.53%	0.63%
To equalized net taxable grand list	0.27%	0.34%	0.38%	0.44%	0.64%
Debt per capita to per capita income	0.87%	1.07%	1.27%	1.49%	1.78%

## Outstanding Short-Term Indebtedness

The Town currently has no outstanding short-term indebtedness.

## Capital Leases

The Town has entered into a multi-year capital lease agreements for the purchase of various capital items including energy conservation/co-generations equipment, vehicles, fitness equipment and computer hardware and software. As of March 30, 2011, the outstanding principal portion of capital leases is estimated to be \$789,300. These payments are not included in outstanding bonded debt

## Overlapping Indebtedness

Mansfield is a member of Regional School District #19, along with the Towns of Ashford and Willington.

	<u>Amount of Authorized But Unissued Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Applicable Grants Receivable</u>	<u>Net Debt Outstanding</u>	<u>Applicable % of Net Debt Charged to Town</u>	<u>Town Net Overlapping Debt</u>
RSD #19	\$ -	\$ 14,280,000	\$ 9,919,024	\$ 4,360,976	56.82%	\$ 2,477,907

## Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Charter, issuance of bonds and notes shall require approval by a town meeting except for notes issued in anticipation of taxes.

## Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20<sup>th</sup> (1/30<sup>th</sup> for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## School Construction Projects

All school construction projects approved prior to July 1, 1996 were reimbursed under a debt service subsidy program. Under the prior program, a municipality issued bonds for the entire amount of the school construction project and the State of Connecticut reimbursed the municipality for principal and interest costs for eligible school construction expenses over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the project. The Town no longer receives any debt service reimbursement under this program.

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut now provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants are paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality issues bonds only for the net share of project costs.

The Town will receive proportional progress payments on the following on-going construction projects:

<b>Project</b>	<b>Estimated Project Cost</b>	<b>Estimated Eligible Cost</b>	<b>Reimbursement Rate</b>	<b>Estimated Grant (1)</b>
Mansfield MS Heating System Replacement	\$ 4,370,000	\$ 4,209,420	73.57%	\$ 3,096,870
Replacement Well - Southeast School	270,000	266,420	78.57%	209,326
Replacement Well - Mansfield MS	320,000	288,257	78.57%	226,484
Replacement Well - Goodwin School	255,000	255,000	78.57%	200,354
Replacement Well - Vinton School	255,000	255,000	78.57%	200,354
Asbestos Removal - Mansfield MS	90,000	89,600	74.29%	66,564
<b>Total</b>	<b>\$ 5,560,000</b>	<b>\$ 5,363,697</b>		<b>\$ 3,999,952</b>

- (1) Estimated grants receivable are based upon eligibility of reimbursable project costs. Final eligible costs to be determined at completion of post project audit. To date the Town has received \$3,235,974 in grants for these projects.

### Capital Improvement Plan

The Town Council annually adopts a Five Year Capital Plan. The objectives of the Capital Plan are to stabilize the Town's debt service requirements by prioritizing projects based on fiscal and civic necessity, while reducing total indebtedness over a five-year period. The Five Year Capital Plan provides for a variety of public works, school improvements and other general purpose projects. A copy of the Plan is available from the Director of Finance.

	<b>Future Projects</b>				
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b><u>SUMMARY OF PROGRAMS</u></b>					
General Government	\$ 132,000	\$ 127,000	\$ 67,000	\$ 25,000	\$ -
Community Development	16,575,000	-	-	-	-
Public Safety	63,000	493,000	809,000	694,000	582,000
Community Services	1,094,300	146,300	201,300	174,800	239,800
Facilities Management	219,000	156,000	116,000	57,000	47,000
Public Works	1,968,120	5,956,500	6,213,000	873,000	918,000
<b>Total</b>	<b>\$ 20,051,420</b>	<b>\$ 6,878,800</b>	<b>\$ 7,406,300</b>	<b>\$ 1,823,800</b>	<b>\$ 1,786,800</b>
<b><u>SUGGESTED SOURCES OF FINANCING</u></b>					
Capital Nonrecurring Reserve Fund	\$ 422,545	\$ 562,545	\$ 687,045	\$ 761,545	\$ 784,545
LOCIP Grant	182,255	182,255	182,255	182,255	182,255
State & Federal Grants	17,582,100	1,683,000	1,650,000	-	-
Bonds	1,815,520	2,342,000	2,845,000	835,000	-
Lease Purchase/Cash to Capital	-	-	-	-	710,000
Other	49,000	2,109,000	2,042,000	45,000	110,000
<b>Total</b>	<b>\$ 20,051,420</b>	<b>\$ 6,878,800</b>	<b>\$ 7,406,300</b>	<b>\$ 1,823,800</b>	<b>\$ 1,786,800</b>

## Authorized but Unissued Debt

Projects	Appropriation/ Authorization	Prior Debt	Grants/ Contributions	The Bonds	Authorized But Unissued
Community Center Gymnasium Air Conditioning	\$ 200,000	\$ -	\$ -	\$ 173,620	\$ 26,380
Mansfield Middle School Heating System Replacement (1)	4,600,000	-	2,939,056	1,025,000	635,944
Hunting Lodge Rd Bikeway/Walkway	105,250	-	-	105,250	-
Salt Storage Shed	263,130	-	-	263,130	-
Storrs Rd and Flaherty Rd Streetscape Improvements	302,000	-	-	302,000	-
Various Equipment Acquisitions & Capital Maintenance	93,000	-	-	93,000	-
Various Town Facilities Improvements	40,000	-	-	40,000	-
Various Transportation Facilities Improvements	130,000	-	-	130,000	-
Four Corners Water & Sewer Project Design	330,000	-	-	330,000	-
Open Space Acquisition	1,040,000	-	-	-	1,040,000
Stone Mill Rd/Laurel Ln Bridge Replacements (2)	2,735,000	-	-	378,000	2,357,000
	<u>\$ 9,838,380</u>	<u>\$ -</u>	<u>\$ 2,939,056</u>	<u>\$2,840,000</u>	<u>\$ 4,059,324</u>

- (1) The Town has approved a combined appropriation of \$4,600,000 and has authorized the issuance of up to \$3,800,000 in bonds for the project. The Town expects to issue only \$1,025,000 in bonds with the balance of the funding to be from a combination of operating budget appropriations, Capital & Non-recurring fund transfers and state grants.
- (2) The Town expects to receive \$2,483,540 in state and federal grants which will reduce the authorized but unissued debt by a similar amount.

## Combined Schedule of Long Term Debt through Maturity

As of March 22, 2011 (Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds Principal Payments	Total Principal Payments
	Principal Payments	Interest Payments	Total Debt Service		
2010-11	\$ 455,000	\$ 64,765	\$ 519,765	\$ -	\$ 455,000
2011-12	460,000	45,654	505,654	-	460,000
2012-13	460,000	25,900	485,900	-	460,000
2013-14	145,000	5,220	150,220	220,000	365,000
2014-15	-	-	-	220,000	220,000
2015-16	-	-	-	220,000	220,000
2016-17	-	-	-	220,000	220,000
2017-18	-	-	-	220,000	220,000
2018-19	-	-	-	220,000	220,000
2019-20	-	-	-	220,000	220,000
2020-21	-	-	-	220,000	220,000
2021-22	-	-	-	220,000	220,000
2022-23	-	-	-	220,000	220,000
2023-24	-	-	-	220,000	220,000
2024-25	-	-	-	220,000	220,000
2025-26	-	-	-	200,000	200,000
<b>Total</b>	<u>\$ 1,520,000</u>	<u>\$ 141,539</u>	<u>\$ 1,661,539</u>	<u>\$ 2,840,000</u>	<u>\$ 4,360,000</u>

Source: Annual audited financial statements; Town Officials.



## **SECTION V - FINANCIAL DATA**

### **Accounting Policies**

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements (Appendix A).

The Department of Finance is responsible for the keeping of accounts and financial records, the assessment and collection of taxes, special assessments and other revenues, the custody and disbursement of Town funds and money, the control over expenditures and such other powers and duties as may be required by the Charter and ordinance or resolution of the Council. The accounting policies of the Town conform to generally acceptable accounting principles as applied to governments. Accounts are kept by the Department showing financial transactions for all departments and agencies. Financial reports are prepared for each month and each fiscal year and such other periods as may be required by the Town Manager and Council.

### **Basis of Accounting**

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

### **Audit**

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Blum Shapiro, of West Hartford, Connecticut, are the auditors, and are required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said Audit Report when completed. The most recent completed audited report covers the fiscal year ended June 30, 2010 is included in this Official Statement as Appendix "A".

Town finances are operated primarily through the general fund. Principal revenues are property taxes, various State and Federal grants, parking ticket fines, and investment income. The Town's fiscal year begins July 1 and ends June 30. The Town was notified by the Government Finance Officers Association that the Comprehensive Annual Financial Reports for the fiscal years ended June 30, 1983 through June 30, 2009 have qualified for the Certificate of Achievement for Excellence in Financial Reporting. This is the twenty-six consecutive year that the Town has received the Certificate of Achievement.

### **Budgetary Procedure**

Formal budgetary integration is employed by the Town Council as a managed control device during the fiscal year for the General Fund, Capital Project Fund and Capital and Non-Recurring Reserve Fund.

Prior to March 1, each department head, office, agency, board or commission of the Town supported wholly or in part from Town funds shall submit budget requests in the form requested by the Town Manager so as to indicate the program, activities, and work accomplished in the current fiscal year and to be accomplished during the ensuing year. These shall be accompanied by detailed estimates of expenditures to be made and of revenues other than taxes to be collected during the ensuing fiscal year, along with such other information as may be requested by the Council or the Manager.

Annually, at the time determined by the Council, the Town Manager shall present to the Council a budget consisting of a budget message outlining the financial situation of the Town government and describing the important features of the budget plan and the budget of the Board of Education as submitted to the Manager, along with whatever analysis or comment the Manager wishes to provide.

During the budget adoption process, the Town Council shall hold at least two Town Budget Information Meetings. At least 10 days prior to each meeting, the Town Council shall widely distribute budget information and notices of the meetings.

The Council shall adopt a proposed budget, including a recommended appropriation act, by May 1.

An annual Town Meeting for budget consideration shall be held on the second Tuesday in May. This meeting shall consider the budget presented to it by the Council and may approve, lower, or raise the budget of any program. If the annual Town Meeting refuses or neglects to adopt a budget, the budget will be returned to the Council for its consideration. The Council shall return the same or a revised budget to a Town Meeting called by the Council for a date no later than ten days after the

first meeting. This Town Meeting shall also approve, lower, or raise the budget of any program. Should the Town Meeting then fail or refuse to adopt a budget, the budget appropriation last proposed by the Council shall be in full effect.

The budget approved by the Town Meeting or adopted by the Town Council shall be subject to appeal if:

- Within 21 days after approval, electors present a petition requesting the budget be repealed and replaced by a substitute budget. The petition shall be in certain form and signed by not less than 2% of the electors as determined by the revised registry list last completed.
- The Town Clerk determines the petition to be sufficient. If found to be sufficient, the Town Clerk shall so certify to the Town Council within five days after receipt of the petition. If insufficient, a legal notice shall be placed in a newspaper of general circulation in the Town, and no further proceedings will be necessary.
- After certification, the question shall be submitted to a referendum of eligible voters at the budget Town Meeting. At least 10 days prior to the referendum, the Town Council shall publish notice of the referendum in a newspaper having circulation in the Town. The notice shall state the date and hours the referendum will be held, and the text of the question as it will appear. The referendum shall be held on a Tuesday.
- A majority of those voting in the referendum vote against the budget.

### **Employee Pension Systems**

All Town employees participate in the Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. The Pension Commission makes recommendations for plan provisions which are approved by the Board of Finance. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund.

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

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

Actuarial valuations are performed by the State of Connecticut bi-annually, and the most recent valuation was as of July 1, 2008. However, based on actual asset information as of June 30, 2009 and the same membership data, plan provisions, actuarial assumptions and methods utilized in the July 1, 2008 valuation, the State's actuary estimated the combined system's Actuarial Accrued Liability to be \$1,820,858,153; the Actuarial Value of Assets to be \$1,618,566,498; the Unfunded Actuarial Accrued Liability to be \$202,291,655 and the funding ratio to be 88.9% as of July 1, 2009. The combined employer & employee contribution to the system in the plan year ending June 30, 2010 were \$53,095,460 in accordance with actuarially determined contribution requirements based on the measurement of the system as of July 1, 2009. The contributions consisted of \$47,614,337 in normal costs and a \$5,481,123 amortization of the unfunded actuarial accrued liability.

The following represents the Town's funding of its contribution to the MERs over the last five years:

#### **Schedule of Employer Contributions**

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2011 (1)	\$ 733,500	100%
2010	636,299	100%
2009	621,694	100%
2008	608,670	100%
2007	534,789	100%

(1) Adopted Budget.

The Town's annually required contribution is determined as percentage of covered payroll. For the fiscal year ending June 30, 2010 the Town's required contribution was 7.5% of covered payroll. For the fiscal year 2010-11 the required contribution increased to 9.5% and is expected to increase to 11.6% of covered payroll in fiscal year 2011-12.

All teachers and certificated administrators employed by the Town participate in the State of Connecticut Teachers' Retirement System under Section 10-183 of the General Statutes of the State of Connecticut. Teachers are eligible to receive a normal retirement benefit if he or she has either: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or; 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public school of Connecticut. The State of Connecticut makes contributions to the system on behalf of the Town's certified teachers based on an actuarial study performed utilizing the total payroll of covered teachers in the State. For the year ended June 30, 2010 the contribution allocable to the Town was estimated to be \$1,596,014 and has been recognized as both a revenue and an expenditure in the general fund on a GAAP basis. Teachers contribute 7.25% of their annual salaries to the retirement system; neither the Board of Education nor the Town has a legal obligation to contribute to it. The Town does not have any liability for teacher pensions. See "Appendix A, Notes to Financial Statements" for more information.

#### Other Post Employment Benefits

##### Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2008	\$ 246,800	\$ 1,916,300	1,669,500	12.88%	\$19,358,398	8.62%

##### Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	\$ 218,273	103.0%
2009	212,200	99.2%

See "Appendix A, Notes to Financial Statements" for more information.

#### Investment Policy and Procedures

Under Connecticut General Statutes Section 7-400, as amended by Public Act 94-190, 7-401 and 7-402 the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, the Tennessee Valley Authority, or any other agency of the United States government (b) money market and mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories".

The Town's investment practices have been to invest in certificates of deposit, short-term repurchase agreements, demand accounts and the State of Connecticut Short Term Investment Fund (STIF). The Town does not invest in derivative investment products.

#### Assessment Practices

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real, personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted.

Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

The Town last completed a general revaluation for the grand list dated October 1, 2009, effective fiscal year 2010-11. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than 10 years from the preceding physical inspection. Public Act 09-60 permits any municipality required to effect a revaluation of real property under Section 12-62 of the Connecticut General Statutes for the 2008, 2009 or 2010 assessment years upon approval of its legislative body, to delay such revaluation until the 2011 assessment year. Any required revaluation subsequent to such a delayed revaluation shall re-commence at the point in the schedule required pursuant to Section 12-62 that the municipality was following prior to such delay. Prior to the completion of each revaluation, the Assessor shall conduct a field review.

### Tax Collection Procedure

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent.

According to the section 12-146 of the Connecticut General Statutes, delinquent property taxes are subject to interest at the rate of 1.5% per month.

### Real Property Tax Levies and Collections

FY Ending 30-Jun	Net Taxable Grand List	Tax Rate (In Mills)	Adjusted Tax Levy	Collected	Uncollected Taxes	
				End of Each FY	Each FY	As of 6/30/10
2011 (1,2)	\$ 975,945,400	25.71	\$ 24,826,655	N/A	In process	In process
2010	933,280,260	25.71	23,909,203	98.4 %	\$ 389,648	\$ 389,648
2009	927,749,626	25.42	23,373,467	98.4	181,349	167,514
2008	914,191,034	23.87	21,769,741	98.7	119,004	101,644
2007	892,269,810	22.88	20,370,550	98.5	249,245	32,186
2006 (2)	874,995,660	22.01	19,182,873	98.6	249,563	12,390
2005	594,074,238	30.93	18,325,498	98.4	278,910	2,992
2004	585,736,365	29.94	17,404,974	98.5	261,285	950
2003	555,647,065	27.50	15,487,465	98.2	282,749	318
2002	537,747,140	26.35	14,333,193	98.6	196,783	115

(1) Adopted Budget.

(2) Year of revaluation.

Source: Town Officials.

## Taxable Grand List

(\$ in Thousands)

<b>Grand List Dated</b>	<b>Real Estate Property</b>	<b>Personal Property</b>	<b>Motor Vehicle Property</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>
10/1/09 (1)	\$ 869,891.7	\$ 34,955.8	\$ 77,516.3	\$ 982,363.8	\$ 6,418.4	\$ 975,945.4
10/01/08	827,975.8	35,487.8	76,279.7	939,743.3	6,462.3	933,281.0
10/01/07	818,180.9	36,401.7	79,514.9	934,097.5	6,347.9	927,749.6
10/01/06	805,327.3	35,057.7	80,038.6	920,423.6	6,232.6	914,191.0
10/01/05	785,731.9	33,853.1	78,529.2	898,114.2	5,844.4	892,269.8
10/01/04	773,087.2	32,199.6	74,895.4	880,182.2	5,186.6	874,995.6
10/01/03	496,281.0	30,133.7	71,181.6	597,596.3	3,522.1	594,074.2
10/01/02	494,809.4	28,549.7	66,074.1	589,433.2	3,696.8	585,736.4
10/01/01	472,504.3	23,498.8	63,581.4	559,584.5	3,937.4	555,647.1
10/01/00	459,943.4	19,819.4	61,593.7	541,356.5	3,609.4	537,747.1

(1) The Town's most recent revaluation was performed for the Grand List dated October 1, 2009.

Source: Town Officials

The following table sets forth the Real Estate Property portion of the Town's taxable grand list by class for the period October 1, 2000 through October 1, 2009.

(\$ in Thousands)

<b>Grand List Dated</b>	<b>Residential Property</b>	<b>Industrial &amp; Commercial Property</b>	<b>Other Property</b>	<b>Total Real Estate Property</b>
10/01/09	\$ 730,833.5	\$ 131,751.2	\$ 7,307.0	\$ 869,891.7
10/01/08	712,378.9	108,804.0	6,792.9	827,975.8
10/01/07	702,597.5	108,694.1	6,889.3	818,180.9
10/01/06	689,970.6	108,312.7	7,044.0	805,327.3
10/01/05	670,169.0	107,835.2	7,727.7	785,731.9
10/01/04	658,941.7	106,028.9	8,116.6	773,087.2
10/01/03	423,877.0	68,463.5	3,940.5	496,281.0
10/01/02	411,876.6	79,082.1	3,850.7	494,809.4
10/01/01	402,098.5	67,035.2	3,370.6	472,504.3
10/01/00	393,635.9	62,007.3	4,300.2	459,943.4

Source: Town Officials

## Largest Taxpayers

<b>Name of Taxpayer</b>	<b>Nature of Property</b>	<b>Grand List Amount</b>	<b>Estimated Tax Levy</b>
Connecticut Light & Power	Public Utility	\$ 11,611,354	\$ 297,483
Eastbrook F LLC	Eastbrook Mall	9,242,310	236,788
ING US Students No. 8 LLC	Apartments	8,583,400	219,907
Celeron Square Associates	Apartments	7,360,360	188,572
Colonial BT LLC	Apartments	6,342,280	162,489
New Samaritan Corp.	Nursing Home	5,362,770	137,394
Glen Ridge Cooperative Inc.	Housing Co-op	5,306,770	135,959
Carriage Polo Run LLC	Apartments	4,895,240	125,416
Hayes-Kaufman Mansfield Assoc.	Shopping Plaza	4,825,660	123,633
ING US Students No. 1 LLC	Apartments	4,606,910	118,029
<b>Total</b>		<b>\$ 68,137,054 (1)</b>	<b>\$ 1,745,671 (2)</b>

(1) Represents 7.0% of the net taxable grand list of \$975,945,400 dated October 1, 2009.

(2) Represents 7.0% of the adopted tax levy of \$24,826,655 for fiscal year 2010-11.

## Revenues

The Town derives its revenues from a direct tax levy on property, State and federal aid, various fees and charges, and certain miscellaneous sources. Town revenues are summarized for fiscal years ended 2006-2010 in "Statements of General Fund Revenues, Expenditures and Changes in Fund Balance (GAAP Basis)" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

### Property Tax Revenues

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Property Tax Revenues</b>	<b>Property Taxes as a % of General Fund Revenues</b>
2011 (1)	\$ 43,537,285	\$ 24,882,355	57.15 %
2010	43,388,918	23,989,637	55.29
2009	44,722,222	23,498,662	52.54
2008	46,625,037 (2)	21,921,177	47.02
2007	39,738,868	20,551,473	51.72
2006	38,431,838	19,380,701	50.43
2005	35,370,517	18,571,837	52.51
2004	32,629,278	17,572,787	53.86
2003	30,573,247	15,664,773	51.24
2002	30,404,300	14,378,934	47.29

(1) Adopted Budget.

(2) Includes \$5,262,273 on-behalf of payments made by the State of Connecticut to the Teachers' Retirement Fund. The payments were significantly larger than prior years due to the issuance of pension obligation bonds by the State of Connecticut to fund the State Teachers' Retirement Fund.

Source: Annual audited financial statements; and fiscal year 2010-11 adopted budget.

### Intergovernmental Revenues

<b>Fiscal Year</b>	<b>General Fund Revenues</b>	<b>Federal &amp; State Aid</b>	<b>Aid as a % of General Fund Revenue</b>
2011 (1)	\$ 43,537,285	\$ 17,598,780	40.4 %
2010	43,388,918	18,543,734	42.7
2009	44,722,222	20,426,635	45.7
2008 (2)	46,625,037	23,323,275	50.0
2007	39,738,868	17,608,330	44.3
2006	38,431,838	17,706,288	46.1
2005	35,370,517	15,580,254	44.0
2004	32,629,278	14,105,111	43.2
2003	30,573,247	13,988,773	45.8
2002	30,404,300	14,682,418	48.3

(1) Adopted Budget.

(2) Includes \$5,262,273 on-behalf of payments made by the State of Connecticut to the Teachers' Retirement Fund. The payments were significantly larger than prior years due to the issuance of pension obligation bonds by the State of Connecticut to fund the State Teachers' Retirement Fund.

Source: Annual audited financial statements; and fiscal year 2010-11 adopted budget.

## Expenditures

<u>Fiscal Year</u>	<u>Education</u>	<u>Public Safety</u>	<u>Townwide Expenditures</u>	<u>Public Works</u>	<u>General Government</u>
2011 (1)	70.1 %	6.4 %	5.7 %	4.4 %	5.2 %
2010	73.0	6.4	6.0	4.5	5.3
2009	73.4	6.4	5.8	6.8	3.3
2008	75.3 (2)	6.1	5.0	6.4	3.3
2007	72.5	6.5	5.5	7.1	3.5
2006	71.7	6.3	7.0	6.6	3.7
2005	72.7	6.8	5.1	6.5	4.0
2004	73.4	6.9	4.3	6.9	4.0
2003	73.0	7.0	3.9	6.9	4.1
2002	73.2	6.6	3.7	7.0	4.1

(1) Adopted Budget.

(2) Includes \$5,262,273 on-behalf of payments made by the State of Connecticut to the Teachers' Retirement Fund. The payments were significantly larger than prior years due to the issuance of pension obligation bonds by the State of Connecticut to fund the State Teachers' Retirement Fund.

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**Comparative General Fund Operating Statement**  
Budget and Actual (Budgetary Basis)

	<b>Fiscal Year 2009-10</b>			<b>Fiscal Year 2010-11</b>
	<b>Final Budget</b>	<b>Actual Operations</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Adopted Budget</b>
<b>REVENUES</b>				
Property taxes	\$ 23,974,477	\$ 23,989,637	\$ 15,160	\$ 24,882,355
Intergovernmental	18,402,460	16,947,720	(1,454,740) (1)	17,598,780
Investment income	140,000	28,601	(111,399)	80,000
Charges for services	838,200	823,667	(14,533)	971,150
Other local revenue	2,500	3,279	779	2,500
<b>TOTAL REVENUES</b>	<b>43,357,637</b>	<b>41,792,904</b>	<b>(1,564,733)</b>	<b>\$ 43,534,785</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,238,262	2,238,262	-	\$ 2,276,815
Public safety	2,664,503	2,664,503	-	2,780,310
Public works	1,848,816	1,848,816	-	1,920,830
Community services	1,462,501	1,462,501	-	1,531,010
Community development	577,095	577,095	-	484,310
Townwide expenditures	2,523,913	2,475,156	48,757	2,500,860
Education	30,360,037	28,802,903	1,557,134 (1)	30,512,390
<b>TOTAL EXPENDITURES</b>	<b>41,675,127</b>	<b>40,069,236</b>	<b>1,605,891</b>	<b>42,006,525</b>
Excess (deficiency) of revenues over expenditures	<u>1,682,510</u>	<u>1,723,668</u>	<u>41,158</u>	<u>1,528,260</u>
Other financing uses:				
Operating transfers in	2,500	2,500	-	2,500
Operating transfers out	(1,685,010)	(1,685,010)	-	(1,530,760)
Total other financing sources (uses):	<u>(1,682,510)</u>	<u>(1,682,510)</u>	<u>-</u>	<u>(1,528,260)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ -</u>	<u>41,158</u>	<u>\$ 41,158</u>	<u>\$ -</u>
Fund Balance - Beginning of year		<u>1,824,737</u>		
Fund Balance - End of year		<u>\$ 1,865,895</u>		

(1) For Fiscal Year 2009-10, the State of Connecticut elected to partially fund the Educational Cost Sharing grant to municipalities from American Recovery and Reinvestment Act ("ARRA") stimulus funds. The ARRA required that funding go directly to the Board of Education and not to the Town's General Fund. As a result, ARRA funds were reported separately in the Special Revenue Fund.

Source: Fiscal Year 2010 audited financial statements; and Fiscal Year 2010-11 Town Budget.



## Comparative Balance Sheets - General Fund

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 111,473	\$ 126,383	\$ -	\$ 2,635,729	\$ 758,086
Investments	3,994,287	3,365,660	3,187,643	-	-
Receivables, net:					
Property taxes	500,106	505,866	611,144	585,224	667,757
Intergovernmental	26,000	-	-	7,000	11,000
Other	95,505	50,888	70,885	87,617	82,196
Due from other funds	322,492	781,722	1,259,823	2,675,841	3,014,735
<b>TOTAL ASSETS</b>	<b>\$ 5,049,863</b>	<b>\$ 4,830,519</b>	<b>\$ 5,129,495</b>	<b>\$ 5,991,411</b>	<b>\$ 4,533,774</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Cash overdraft	\$ 313,125	\$ 586,473	\$ 378,972	\$ -	\$ -
Accounts payable	832,324	567,090	516,169	566,977	455,025
Accrued liabilities	862,862	774,412	1,324,463	1,589,002	995,289
Due to other funds	735,679	458,490	338,210	514,998	116,978
Deferred and unearned revenue	572,244	548,165	584,102	1,192,461	718,994
<b>TOTAL LIABILITIES</b>	<b>3,316,234</b>	<b>2,934,630</b>	<b>3,141,916</b>	<b>3,863,438</b>	<b>2,286,286</b>
<b>FUND BALANCES</b>					
Reserved for encumbrances	71,936	126,765	157,377	303,236	381,593
Unreserved:					
Designated for subsequent year's Expenditures	-				
Undesignated	1,661,693	1,769,124	1,830,202	1,824,737	1,865,895
<b>TOTAL FUND BALANCES</b>	<b>1,733,629</b>	<b>1,895,889</b>	<b>1,987,579</b>	<b>2,127,973</b>	<b>2,247,488</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,049,863</b>	<b>\$ 4,830,519</b>	<b>\$ 5,129,495</b>	<b>\$ 5,991,411</b>	<b>\$ 4,533,774</b>

Source: Annual audited financial statements.

# Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

Fiscal Year	2006	2007	2008	2009	2010
<b>REVENUES</b>					
Property taxes	\$19,380,701	\$20,551,473	\$21,921,177	\$23,498,662	\$23,989,637
Intergovernmental	17,706,288	17,608,330	23,323,275	20,426,635	18,543,734
Investment income	420,493	552,299	454,890	93,973	28,601
Charges for services	924,356	1,024,246	916,490	742,345	823,667
Other local revenues	-	2,520	9,205	10,607	3,279
<b>TOTAL REVENUES</b>	<u>38,431,838</u>	<u>39,738,868</u>	<u>46,625,037</u>	<u>44,772,222</u>	<u>43,388,918</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,389,592	1,378,839	1,474,908	1,450,822	2,208,710
Public safety	2,400,021	2,516,977	2,737,817	2,784,298	2,658,650
Public works	2,505,746	2,763,637	2,906,396	2,959,616	1,850,850
Community services	1,504,867	1,605,045	1,466,836	1,519,110	1,473,335
Community development	296,701	292,526	303,371	368,847	577,728
Townwide expenditures	2,647,899	2,124,445	2,247,118	2,521,997	2,475,155
Education	27,262,086	28,212,264	34,026,981	31,969,128	30,342,499
<b>TOTAL EXPENDITURES</b>	<u>38,006,912</u>	<u>38,893,733</u>	<u>45,163,427</u>	<u>43,573,818</u>	<u>41,586,927</u>
Excess (deficiency) of revenues over expenditures	424,926	845,135	1,461,610	1,198,404	1,801,991
Other financing sources (uses):					
Operating transfers in	152,500	2,500	2,500	2,500	2,500
Operating transfers out	(500,500)	(685,375)	(1,372,420)	(1,060,510)	(1,685,010)
Total other financing sources (uses)	<u>(348,000)</u>	<u>(682,875)</u>	<u>(1,369,920)</u>	<u>(1,058,010)</u>	<u>(1,682,510)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	76,926	162,260	91,690	140,394	119,481
Fund Balance - Beginning of year	<u>1,656,703</u>	<u>1,733,629</u>	<u>1,895,889</u>	<u>1,987,579</u>	<u>2,128,007 (1)</u>
Fund Balance - End of year	<u>\$ 1,733,629</u>	<u>\$ 1,895,889</u>	<u>\$ 1,987,579</u>	<u>\$ 2,127,973</u>	<u>\$ 2,247,488</u>

(1) Restated.

Source: Annual audited financial statements.

## **SECTION VI - ADDITIONAL INFORMATION**

### **Litigation**

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

### **Availability of Continuing Disclosure Information**

The Town of Mansfield prepares, in accordance with State law, annual audited financial statements and is generally required to file such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town also provides, and expects to continue to provide to Moody's Investors Service ongoing disclosure in the form of the Annual Audited Report and the Adopted Budgets, and other materials relating to its management and financial condition as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events within 10 days of the occurrence of such event; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The successful bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Over the past five (5) fiscal years, the Town has not failed to meet any of its undertakings under such agreements.

### **Financial Advisor**

The Town has retained Independent Bond and Investment Consultants LLC of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although Independent Bond and Investment Consultants LLC has assisted in the preparation of the Official Statement, Independent Bond and Investment Consultants LLC is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Independent Bond and Investment Consultants LLC is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, underwriting, trading or distributing municipal securities or other public securities.

### **Documents Accompanying Delivery of the Bonds**

Upon delivery of the Bonds, the Underwriter will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened effecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the Town Manager, the Town Treasurer and the Director of Finance, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the Town of Mansfield and its finances were true and correct in all material respects and did not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds;
4. The approving opinion of Day Pitney LLP, of Hartford, Connecticut;
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached to the Official Statement as Appendix C;
6. Within seven business days of the bond pricing, the Town will furnish the purchaser 100 copies of the final Official Statement, as prepared by the Town.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the offices of U.S. Bank, National Association of Hartford, Connecticut.

### **Concluding Statement**

Additional information may be obtained upon request from the Office of the Director of Finance at (203) 429-3343 or from Independent Bond and Investment Consultants LLC at (203) 245-8715.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be constructed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or part for any other purpose.

Day Pitney LLP, Bond Counsel, are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in this Official Statement, other than as set forth in Appendix B - "Opinion of Bond Counsel and Tax Exemption", and they make no representation that they have independently verified the same.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

### **TOWN OF MANSFIELD, CONNECTICUT**

---

**By: MATTHEW W. HART**  
*Town Manager*

---

**By: CHERYL A. TRAHAN**  
*Director of Finance*

---

**By: KERI J. ROWLEY**  
*Treasurer*

**Dated: March 1, 2011**

## APPENDIX A - FINANCIAL STATEMENTS

### TOWN OF MANSFIELD, CONNECTICUT

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June 30, 2010

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**Appendix A - Financial Statements** - are taken from the Comprehensive Annual Financial Report of the Town of Mansfield for the Fiscal Year ending June 30, 2010 as presented by the Town of Mansfield. The financial statements do not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Mansfield, Connecticut.



Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Town Council  
Town of Mansfield, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town of Mansfield, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Mansfield, Connecticut, as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages A-3 through A-9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

*Blum, Shapiro & Company, P.C.*

December 21, 2010

# TOWN OF MANSFIELD

## OFFICE OF THE FINANCE DIRECTOR



CHERYL A. TRAHAN, Director of Finance

AUDREY P. BECK BUILDING  
FOUR SOUTH EAGLEVILLE ROAD  
MANSFIELD, CT 06268-2599  
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### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

As management of the Town of Mansfield, we offer readers of the Town of Mansfield's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

#### **Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$75,741,543 (*net assets*). Of this amount, \$4,473,563 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by \$3,745,768. This is due substantially to capital outlay in excess of depreciation, primarily for the Mansfield Middle School Heating Conversion, and significantly lower than anticipated medical insurance claims.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,795,784, a decrease of \$316,440 in comparison with the prior year. Approximately, 59.3% of this amount (\$1,657,043) is available for spending at the Town's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,865,895 or 4.5% of total general fund expenditures.
- The Town's total long-term obligations decreased by \$366,754 during the current fiscal year. The key factors in this decrease were principal payments on bonded debt of \$455,000, an increase of \$292,723 in retirement benefits, and a decrease of \$226,184 for capital leases.

#### **Overview of the Basic Financial Statements**

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

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

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

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



**Overview of the Basic Financial Statements (continued)**

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

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

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

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

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

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

The Town maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, Mansfield discretionary fund, capital projects fund, and compensated absences fund, all of which are considered to be major funds. Data from the other 9 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on Exhibits III and IV.

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

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

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

**Overview of the Basic Financial Statements (continued)**

The basic proprietary fund financial statements can be found on Exhibits VI, VII and VIII.

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

The basic fiduciary fund financial statements can be found on Exhibits IX and X.

**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 after Exhibit X.

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

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$75,741,543 at the close of the most recent fiscal year.

**TOWN OF MANSFIELD  
NET ASSETS  
JUNE 30, 2010 AND 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 10,403,130	\$ 10,626,456	\$ 323,580	\$ 359,765	\$ 10,726,710	\$ 10,986,221
Capital assets (net)	72,280,305	70,616,894	737,210	757,113	73,017,515	71,374,007
<b>TOTAL ASSETS</b>	<b>82,683,435</b>	<b>81,243,350</b>	<b>1,060,790</b>	<b>1,116,878</b>	<b>83,744,225</b>	<b>82,360,228</b>
Long-term liabilities outstanding	5,352,781	5,716,900	119,479	122,114	5,472,260	5,839,014
Other liabilities	2,485,364	4,395,577	45,058	129,862	2,530,422	4,525,439
<b>TOTAL LIABILITIES</b>	<b>7,838,145</b>	<b>10,112,477</b>	<b>164,537</b>	<b>251,976</b>	<b>8,002,682</b>	<b>10,364,453</b>
Net assets:						
Invested in capital assets, net of related debt	70,198,169	67,870,994	737,210	757,113	70,935,379	68,628,107
Restricted	332,601	361,900			332,601	361,900
Unrestricted	4,314,520	2,897,979	159,043	107,789	4,473,563	3,005,768
<b>TOTAL NET ASSETS</b>	<b>\$ 74,845,290</b>	<b>\$ 71,130,873</b>	<b>\$ 896,253</b>	<b>\$ 864,902</b>	<b>\$ 75,741,543</b>	<b>\$ 71,995,775</b>

By far the largest portion of the Town's net assets (93.7%) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, pump station and sewer distribution system), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (0.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$4,473,563) may be used to meet the Town's ongoing obligations to citizens and creditors.

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

**Government-Wide Financial Analysis (continued)**

**TOWN OF MANSFIELD  
CHANGES IN NET ASSETS  
JUNE 30, 2010**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 3,710,195	\$ 3,731,330	\$ 1,163,631	\$ 1,304,984	\$ 4,873,826	\$ 5,036,314
Operating grants and contributions	13,596,109	14,302,128			13,596,109	14,302,128
Capital grants and contributions	2,486,915	1,610,563			2,486,915	1,610,563
General revenues:						
Property taxes	24,119,297	23,616,872			24,119,297	23,616,872
Grants and contributions not restricted to specific programs	8,348,141	8,872,157			8,348,141	8,872,157
Investment income	82,043	114,686			82,043	114,686
Miscellaneous	51,014	128,317	1,276	3,037	52,290	131,354
<b>TOTAL REVENUES</b>	<b>52,393,714</b>	<b>52,376,053</b>	<b>1,164,907</b>	<b>1,308,021</b>	<b>53,558,621</b>	<b>53,684,074</b>
<b>EXPENSES</b>						
General government	2,458,702	2,712,239			2,458,702	2,712,239
Public safety	3,017,094	3,106,801			3,017,094	3,106,801
Public works	3,398,958	3,457,353			3,398,958	3,457,353
Community services	4,231,095	4,520,103			4,231,095	4,520,103
Community development	707,219	851,058			707,219	851,058
Education	34,727,599	35,099,466			34,727,599	35,099,466
Interest expense	138,630	190,087			138,630	190,087
Sewer department			216,362	605,726	216,362	605,726
Transfer station			917,194	1,000,877	917,194	1,000,877
<b>TOTAL EXPENSES</b>	<b>48,679,297</b>	<b>49,937,107</b>	<b>1,133,556</b>	<b>1,606,603</b>	<b>49,812,853</b>	<b>51,543,710</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>3,714,417</b>	<b>2,438,946</b>	<b>31,351</b>	<b>(298,582)</b>	<b>3,745,768</b>	<b>2,140,364</b>
<b>NET ASSETS - JULY 1</b>	<b>71,130,873</b>	<b>68,691,927</b>	<b>864,902</b>	<b>1,163,484</b>	<b>71,995,775</b>	<b>69,855,411</b>
<b>NET ASSETS - JUNE 30</b>	<b>\$ 74,845,290</b>	<b>\$ 71,130,873</b>	<b>\$ 896,253</b>	<b>\$ 864,902</b>	<b>\$ 75,741,543</b>	<b>\$ 71,995,775</b>

The Town's net assets increased by \$3,745,768 during the current fiscal year. This is substantially due to capital outlay in excess of depreciation, primarily for the Mansfield Middle School Heating Conversion, and significantly lower than expected medical insurance claims.

**Governmental activities.** Governmental activities increased the Town's net assets by \$3,714,417. The business-type activities increased net assets by \$31,351, for an overall net increase of \$3,745,768 or 5.2%.

**Revenues**

Governmental activities revenues totaled \$52,393,714 for fiscal year 2010. Property taxes are the largest revenue source for the Town and represent 46.0% of governmental revenues. Current tax collections were 98.4% of the adjusted tax levy. Operating grants and contributions revenues are the Town's second largest revenue. Operating grant and contribution revenues include grants for education, public works and community services and account for 25.9% of governmental revenues for the year. Grants and contributions not restricted to specific programs account for 15.9% of governmental revenues and include property tax related grants.

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

- Operating grants and contributions decrease by \$706,019. This decrease is reflective of a decrease in grants for community services and a Community Development Block grant that was received in 2008/09, but not awarded 2009/10.
- Capital grants and contributions increased by \$876,352 primarily due to an increase in capital grants for education for the final school construction grant payment on the heating system upgrade at the Mansfield Middle School.
- Property taxes increased by \$502,425 primarily due to a decrease in intergovernmental revenues, a decrease in investment income, and a decrease in fees for services.

**Government-Wide Financial Analysis (continued)**

**Expenses**

Governmental expenses totaled \$48,679,297 for the fiscal year. Of the expenses, \$34,727,599 or 71.3% is related to education. Public works expenses amounted to \$3,398,958 or 7.0%. Community services expenses were \$4,231,095 or 8.7%, public safety expenses were \$3,017,094 or 6.2% and general government expenses were \$2,458,702 or 5.1%.

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

- Education decreased by \$371,867 primarily as a result of the decrease in salary costs and early retirement benefits.
- General Government decreased by \$253,537 due to a reduction in facilities maintenance costs from prior year, specifically savings in energy created from the implementation of a cogeneration facility and the conversion of the Mansfield Middle School from electricity to natural gas.
- Community services decreased by \$289,008 due to grant funded projects in 2008/09 that were not received in 2009/10.

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

**Business-type activities.** Business-type activities increased the Town's net assets by \$31,351. General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1,164,907 in total business-type revenues, over 99.9% came from charges for services. Miscellaneous revenues make up the remaining revenue and are less than 0.1% of the Town's business-type activities

The sewer department expenses were \$216,362 in the fiscal year ended June 30, 2010, and the transfer station expenses were \$917,194. Expenses for the solid waste fund were level with the prior year. The sewer fund decrease in expenses was substantially due to legal expenses incurred for construction arbitration in prior year.

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

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,795,784, a decrease of \$316,440 in comparison with the prior year. Approximately 40.7% or \$1,138,741 of the 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 (\$760,167) 2) to generate income to pay for the perpetual care of the municipal cemetery (\$330,554), 3) for permanently restricted endowments (\$1,970), or 4) to reserve fund balance equal to inventory (\$46,050). Approximately 59.3% of this amount (\$1,657,043) is available for spending at the Town's discretion (unreserved fund balance).

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,865,895, while total fund balance reached \$2,247,488. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total general fund expenditures. Unreserved fund balance represents 4.5% of total general fund expenditures, while total fund balance represents 5.4% of that same amount.

The fund balance of the Town's general fund increased by \$119,481 during the current fiscal year. The increase was attributable to education expenditures being under spent by \$120,401; town government expenditures under spent by \$48,757 offset by less than anticipated investment income and service fees.

**Mansfield Discretionary Fund.** This fund had \$53,865 in revenues for the year and \$98,052 in expenses for a net decrease in fund balance of \$44,187. Expenditures exceeded revenues primarily due to a roofing project at the Senior Center that was funded from prior year program income.

**Capital projects fund.** This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities. The capital projects fund's expenditures exceeded its revenues and transfers in by \$823,309 for the fiscal year. This is a result of various projects funded in prior years, primarily the Mansfield Middle School Heating Conversion Project.

**Compensated Absences Fund.** This fund had \$16,415 of investment income during the year. The deficit fund balance will continue to be funded from general fund transfers in future budget years.

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

Unrestricted net assets at the end of the year amounted to \$51,318 for the Sewer Operating fund, \$107,725 for the Solid Waste Disposal fund, and \$3,074,761 for the Internal Service funds. The total increase (decrease) in net assets for the funds was (\$2,386) for the Sewer Operating fund, \$33,737 for the Solid Waste Disposal Fund, and \$1,905,477 for the Internal Service funds. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

### **General Fund Budgetary Highlights**

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

- An unanticipated additional State Payment in Lieu of Taxes of \$350,000 was appropriated and a corresponding increase in transfers out to the Capital Nonrecurring Fund was approved to compensate for the reduction in the Mohegan/Pequot Grant to the Capital Nonrecurring Fund.
- A reduction to the Resident State Trooper budget line of \$119,543. The budget was developed using a potential increase to the reimbursement rate to the State (from 70% to 85%). However, our actual reimbursement rate remained at 70%, thereby providing savings in this account.
- A reduction to the Unemployment Compensation line of \$42,499 as actual claims were less than anticipated
- Other increases and decreases were reflective of the demand for services.

During the year, expenditures were less than budgetary estimates by \$1,605,891. Of that amount, the Mansfield Board of Education expenditures were less than budget by \$1,557,134. This was due to primarily to expenditures being charged directly to the American Recovery and Reinvestment funding (\$1,436,733). The balance of the savings (\$120,401) was due to salary positions being filled at lower pay grades than originally budgeted.

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

**Capital assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts \$73,017,515 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, pump station, and sewer distribution system. The total net increase in the Town's investment in capital assets for the current fiscal year was \$1,643,508 and consisted of an increase of \$1,663,411 for governmental activities and a decrease of \$19,903 for business-type activities. Capital asset additions for the year of \$3,884,564 were offset by depreciation for the year in the amount of \$2,193,333.

Major capital acquisitions were as follows:

- \$2,987,419 for the addition of the Mansfield Middle School Heating System
- \$100,447 for Storrs Center area improvements
- \$150,412 for a large dump truck

Additional information on the Town's capital assets can be found in Note 5.

TOWN OF MANSFIELD CAPITAL ASSETS (net of depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2010	2009	2010	2009	2010	2009	
Land	\$ 4,950,115	\$ 4,850,115	\$ 74,798	\$ 74,798	\$ 5,024,913	\$ 4,924,913	
Construction in progress	6,907,758	4,602,111	90,087	87,206	6,997,845	4,689,317	
Land improvements	1,521,324	1,580,685			1,521,324	1,580,685	
Buildings	19,733,042	20,507,054	4,447	12,990	19,737,489	20,520,044	
Improvements other than buildings	799,048	178,845			799,048	178,845	
Machinery and equipment	1,983,514	1,851,425	86,476	76,881	2,069,990	1,928,306	
Vehicles	2,242,180	2,275,872			2,242,180	2,275,872	
Infrastructure	34,143,324	34,770,787			34,143,324	34,770,787	
Pump station			112,521	115,412	112,521	115,412	
Sewer distribution system			368,881	389,826	368,881	389,826	
TOTAL	\$ 72,280,305	\$ 70,616,894	\$ 737,210	\$ 757,113	\$ 73,017,515	\$ 71,374,007	

**Long-term debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$1,520,000. The entire amount is backed by the full faith and credit of the Town.

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

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
General Obligation Bonds - Town	\$ 1,190,000	\$ 1,555,000
General Obligation Bonds - School	330,000	420,000
<b>TOTAL</b>	<u>\$ 1,520,000</u>	<u>\$1,975,000</u>

The Town's outstanding debt decreased \$455,000 due to scheduled principal payments.

The Town maintains an "Aa2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$167,515,187, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 7.

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

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

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

<u>Yearly Average</u>	<u>2010 Monthly</u>			
	<u>Town of Mansfield</u>	<u>Hartford Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2005	4.2%	5.3%	4.9%	4.9%
2006	3.9	4.8	4.4	4.4
2007	3.9	5.0	4.6	5.0
2008	4.6	6.1	5.7	7.4
2009	5.9	8.3	8.2	9.3
January	7.0	10.0	9.8	9.7
February	6.7	10.0	9.8	9.7
March	7.2	9.5	9.3	9.7
April	6.2	8.6	8.5	9.9
May	7.3	8.9	8.8	9.7
June	8.4	9.1	8.9	9.5

The above factors were considered in preparing the Town's budget for the 2011 fiscal year.

**Requests for Information**

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

**TOWN OF MANSFIELD, CONNECTICUT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mansfield Discovery Depot, Inc.
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 5,982,573	\$ 257,808	\$ 6,240,381	\$ 286,994
Investments	204,922		204,922	
Receivables, net:				
Property taxes	853,223		853,223	
Intergovernmental	1,305,637		1,305,637	
Loans	1,192,156		1,192,156	
Other	354,162	108,526	462,688	
Internal balances	42,754	(42,754)	-	
Other assets	84,748		84,748	
Total current assets	10,020,175	323,580	10,343,755	286,994
Noncurrent assets:				
Restricted assets:				
Permanently restricted:				
Investments	382,955		382,955	
Total restricted assets	382,955	-	382,955	-
Capital assets:				
Capital assets not being depreciated	11,857,873	164,885	12,022,758	
Capital assets being depreciated (net of accumulated depreciation)	60,422,432	572,325	60,994,757	
Total capital assets	72,280,305	737,210	73,017,515	-
Total noncurrent assets	72,663,260	737,210	73,400,470	-
Total Assets	82,683,435	1,060,790	83,744,225	286,994
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	674,653	45,058	719,711	2,062
Due to fiduciary fund	116,978		116,978	
Accrued liabilities	1,405,289		1,405,289	16,013
Unearned revenue	288,444		288,444	
Noncurrent liabilities:				
Due within one year	1,023,183	7,898	1,031,081	
Due in more than one year	4,329,598	111,581	4,441,179	
Total Liabilities	7,838,145	164,537	8,002,682	18,075
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	70,198,169	737,210	70,935,379	
Perpetual care:				
Nonexpendable	330,554		330,554	
Endowments:				
Nonexpendable	1,970		1,970	
Expendable	77		77	
Unrestricted	4,314,520	159,043	4,473,563	268,919
Total Net Assets	\$ 74,845,290	\$ 896,253	\$ 75,741,543	\$ 268,919

The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Assets			Component Unit Mansfield Discovery Depot, Inc.
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 2,458,702	\$ 344,224	\$ 14,613	\$	\$ (2,099,865)	\$	\$ (2,099,865)	\$ -
Public safety	3,017,094	501,814	29,916		(2,485,364)		(2,485,364)	-
Public works	3,398,958	378,440	206,217	344,428	(2,469,873)		(2,469,873)	-
Community services	4,231,095	1,782,914	217,352	26,315	(2,204,514)		(2,204,514)	-
Community development	707,219	36,882	33,592	50,827	(585,918)		(585,918)	-
Education	34,727,599	665,921	13,087,919	2,065,345	(18,908,414)		(18,908,414)	-
Interest expense	138,630		6,500		(132,130)		(132,130)	-
Total Governmental Activities	48,679,297	3,710,195	13,596,109	2,486,915	(28,886,078)	-	(28,886,078)	-
Business-Type Activities:								
Sewer Department	216,362	213,976				(2,386)	(2,386)	
Transfer Station	917,194	949,655				32,461	32,461	
Total Business-Type Activities	1,133,556	1,163,631	-	-	-	30,075	30,075	-
Total Primary Government	\$ 49,812,853	\$ 4,873,826	\$ 13,596,109	\$ 2,486,915	\$ (28,886,078)	\$ 30,075	\$ (28,856,003)	\$ -
Component Unit:								
Mansfield Discovery Depot, Inc.	\$ 1,364,754	\$ 974,861	\$ 344,641	\$ -	-	-	-	(45,252)
General Revenues:								
Property taxes					\$ 24,119,297	\$	\$ 24,119,297	\$
Grants and contributions not restricted to specific program					8,348,141		8,348,141	
Investment income					82,043		82,043	
Miscellaneous					51,014	1,276	52,290	
Total General Revenues					32,600,495	1,276	32,601,771	-
Change in Net Assets					3,714,417	31,351	3,745,768	(45,252)
Net Assets at Beginning of Year					71,130,873	864,902	71,995,775	314,171
Net Assets at End of Year					\$ 74,845,290	\$ 896,253	\$ 75,741,543	\$ 268,919

The accompanying notes are an integral part of the financial statements



**TOWN OF MANSFIELD, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<b>General</b>	<b>Mansfield Discretionary Fund</b>	<b>Capital Projects</b>	<b>Compensated Absences Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 758,086	\$ 97,803	\$	\$ 3,709	\$ 1,268,106	\$ 2,127,704
Investments				204,922		204,922
Restricted investments					382,955	382,955
Receivables, net:						
Property taxes	667,757					667,757
Sewer assessments					13,300	13,300
Intergovernmental	11,000		1,168,035		126,602	1,305,637
Loans		1,192,156				1,192,156
Other	82,196				17,206	99,402
Due from other funds	3,014,735					3,014,735
Other					46,050	46,050
Total Assets	<u>\$ 4,533,774</u>	<u>\$ 1,289,959</u>	<u>\$ 1,168,035</u>	<u>\$ 208,631</u>	<u>\$ 1,854,219</u>	<u>\$ 9,054,618</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 455,025	\$ 2,433	\$ 113,881	\$	\$ 73,389	\$ 644,728
Accrued liabilities	995,289					995,289
Due to other funds	116,978		1,743,967	494,315	142,920	2,498,180
Deferred and unearned revenue	718,994	1,192,156			209,487	2,120,637
Total Liabilities	<u>2,286,286</u>	<u>1,194,589</u>	<u>1,857,848</u>	<u>494,315</u>	<u>425,796</u>	<u>6,258,834</u>
Fund Balances:						
Reserved for:						
Encumbrances	381,593		281,125		97,449	760,167
Inventory					46,050	46,050
Perpetual care					330,554	330,554
Permanent funds					1,970	1,970
Unreserved, reported in:						
General fund	1,865,895					1,865,895
Special revenue funds		95,370		(285,684)	1,025,117	834,803
Capital projects funds			(970,938)			(970,938)
Debt service funds					(72,794)	(72,794)
Permanent funds					77	77
Total Fund Balances	<u>2,247,488</u>	<u>95,370</u>	<u>(689,813)</u>	<u>(285,684)</u>	<u>1,428,423</u>	<u>2,795,784</u>
Total Liabilities and Fund Balances	<u>\$ 4,533,774</u>	<u>\$ 1,289,959</u>	<u>\$ 1,168,035</u>	<u>\$ 208,631</u>	<u>\$ 1,854,219</u>	<u>\$ 9,054,618</u>

(Continued on next page)

**TOWN OF MANSFIELD, CONNECTICUT**  
**BALANCE SHEET (CONTINUED)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are  
different because of the following:

Fund balances - total governmental funds	\$ 2,795,784
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 104,329,329	
Less accumulated depreciation	(33,581,970)	
Net capital assets	70,747,359	

Other long-term assets are not available to pay for current-period  
expenditures and, therefore, are not recorded in the funds:

Property tax receivables greater than 60 days	626,737
Interest receivable on property taxes	185,466
Housing loans	1,192,156
Other	24,735
Net OPEB asset	4,827
Sewer assessment receivables	13,300

Internal service funds are used by management to charge the costs of  
risk management to individual funds. The assets and liabilities of  
the internal service funds are reported with governmental activities  
in the statement of net assets

4,389,969

Long-term liabilities, including bonds payable, are not due and payable  
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(1,520,000)
Capital leases	(414,078)
Retirement benefit	(2,696,647)
Compensated absences	(573,998)
Deferred charges on refunding	74,588
Bond premium	(4,908)

Net Assets of Governmental Activities (Exhibit I)	\$ 74,845,290
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The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Mansfield Discretionary Fund</u>	<u>Capital Projects</u>	<u>Compensated Absences Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 23,989,637	\$	\$	\$	\$	\$ 23,989,637
Intergovernmental	18,543,734	33,592	2,432,782		3,258,618	24,268,726
Investment income	28,601	443		16,415	30,714	76,173
Charges for services	823,667	19,830			2,867,912	3,711,409
Contributions					51,503	51,503
Other local revenues	3,279		54,133		103,324	160,736
Total Revenues	<u>43,388,918</u>	<u>53,865</u>	<u>2,486,915</u>	<u>16,415</u>	<u>6,312,071</u>	<u>52,258,184</u>
Expenditures:						
Current:						
General government	2,208,710				86,058	2,294,768
Public safety	2,658,650				166,917	2,825,567
Public works	1,850,850				168,402	2,019,252
Community services	1,473,335				2,319,746	3,793,081
Community development	577,728	98,052				675,780
Townwide expenditures	2,475,155					2,475,155
Education	30,342,499				3,150,751	33,493,250
Capital outlay			4,183,824		150,000	4,333,824
Debt service					663,947	663,947
Total Expenditures	<u>41,586,927</u>	<u>98,052</u>	<u>4,183,824</u>	<u>-</u>	<u>6,705,821</u>	<u>52,574,624</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,801,991</u>	<u>(44,187)</u>	<u>(1,696,909)</u>	<u>16,415</u>	<u>(393,750)</u>	<u>(316,440)</u>
Other Financing Sources (Uses):						
Transfers in	2,500		873,600	50,000	1,685,010	2,611,110
Transfers out	(1,685,010)				(926,100)	(2,611,110)
Net Other Financing Sources (Uses)	<u>(1,682,510)</u>	<u>-</u>	<u>873,600</u>	<u>50,000</u>	<u>758,910</u>	<u>-</u>
Net Change in Fund Balances	119,481	(44,187)	(823,309)	66,415	365,160	(316,440)
Fund Balances at Beginning of Year	<u>2,128,007</u>	<u>139,557</u>	<u>133,496</u>	<u>(352,099)</u>	<u>1,063,263</u>	<u>3,112,224</u>
Fund Balances at End of Year	<u>\$ 2,247,488</u>	<u>\$ 95,370</u>	<u>\$ (689,813)</u>	<u>\$ (285,684)</u>	<u>\$ 1,428,423</u>	<u>\$ 2,795,784</u>

(Continued on next page)

**TOWN OF MANSFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because

Net change in fund balances - total governmental funds (Exhibit IV)	\$	(316,440)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	3,751,644
Depreciation expense	(1,936,315)

The statement of activities reports losses arising from the trade-in or disposal of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in or disposal of capital assets		(23,401)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change		86,848
Property tax interest and lien revenue - accrual basis change		42,842
Housing loan receivable - accrual basis change		(26,737)

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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments		455,000
Capital lease payments		93,922

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 the governmental funds.

Compensated absences		(8,622)
Net OPEB asset		6,527
Retirement benefit		(292,723)
Amortization of deferred charge on refunding		(18,648)
Amortization of issuance costs		(6,185)
Amortization of premiums		1,228

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities

1,905,477

Change in Net Assets of Governmental Activities (Exhibit II)	\$	<u><u>3,714,417</u></u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 23,974,477	\$ 23,974,477	\$ 23,989,637	\$ 15,160
Intergovernmental	18,052,460	18,402,460	16,947,720	(1,454,740)
Investment income	140,000	140,000	28,601	(111,399)
Charges for services	838,200	838,200	823,667	(14,533)
Other local revenues	<u>2,500</u>	<u>2,500</u>	<u>3,279</u>	<u>779</u>
Total Revenues	<u>43,007,637</u>	<u>43,357,637</u>	<u>41,792,904</u>	<u>(1,564,733)</u>
Expenditures:				
Current:				
General government	2,299,060	2,238,262	2,238,262	-
Public safety	2,783,540	2,664,503	2,664,503	-
Public works	1,920,280	1,848,816	1,848,816	-
Community services	1,474,090	1,462,501	1,462,501	-
Community development	615,350	577,095	577,095	-
Townwide expenditures	2,507,770	2,523,913	2,475,156	48,757
Education	<u>30,459,537</u>	<u>30,360,037</u>	<u>28,802,903</u>	<u>1,557,134</u>
Total Expenditures	<u>42,059,627</u>	<u>41,675,127</u>	<u>40,069,236</u>	<u>1,605,891</u>
Excess of Revenues over Expenditures	<u>948,010</u>	<u>1,682,510</u>	<u>1,723,668</u>	<u>41,158</u>
Other Financing Sources (Uses):				
Transfers in	2,500	2,500	2,500	-
Transfers out	<u>(950,510)</u>	<u>(1,685,010)</u>	<u>(1,685,010)</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>(948,010)</u>	<u>(1,682,510)</u>	<u>(1,682,510)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	41,158	<u>\$ 41,158</u>
Fund Balance at Beginning of Year			<u>1,824,737</u>	
Fund Balance at End of Year			<u>\$ 1,865,895</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2010**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		
	<b>Sewer Operating Fund</b>	<b>Solid Waste Disposal</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 98,500	\$ 257,808	\$ 257,808	\$ 3,854,869
Accounts receivable, net		10,026	108,526	241,460
Due from other funds			-	17,772
Other			-	9,136
Total current assets	98,500	267,834	366,334	4,123,237
Noncurrent assets:				
Capital assets (net of accumulated depreciation):				
Land	66,298	8,500	74,798	145,649
Construction in progress	90,087		90,087	
Buildings		4,447	4,447	106,758
Equipment		86,476	86,476	1,280,539
Pump station	112,521		112,521	
Sewer distribution system	368,881		368,881	
Total capital assets (net of accumulated depreciation)	637,787	99,423	737,210	1,532,946
Total Assets	736,287	367,257	1,103,544	5,656,183
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	4,428	40,630	45,058	29,925
Claims payable			-	410,000
Due to other funds	42,754		42,754	608,551
Landfill postclosure liability		4,000	4,000	
Capital lease liability			-	69,904
Compensated absences		3,898	3,898	
Total current liabilities	47,182	48,528	95,710	1,118,380
Noncurrent liabilities:				
Landfill postclosure liability		96,000	96,000	
Capital lease liability			-	147,834
Compensated absences		15,581	15,581	
Total noncurrent liabilities	-	111,581	111,581	147,834
Total Liabilities	47,182	160,109	207,291	1,266,214
<b>NET ASSETS</b>				
Invested in capital assets	637,787	99,423	737,210	1,315,208
Unrestricted	51,318	107,725	159,043	3,074,761
Total Net Assets	\$ 689,105	\$ 207,148	\$ 896,253	\$ 4,389,969

The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Major Fund</b>	<b>Nonmajor Fund</b>		
	<b>Sewer Operating Fund</b>	<b>Solid Waste Disposal</b>	<b>Totals</b>	<b>Internal Service Funds</b>
Operating Revenues:				
Sewer charges	\$ 212,642	\$	\$ 212,642	\$
Garbage collection fees		856,425	856,425	
Tipping fees		314	314	
Transfer station fees		81,331	81,331	
Sale of recyclables		8,938	8,938	
Premiums		-	-	7,897,156
Charges for services		-	-	2,965,750
Rental income		-	-	199,751
Other revenues	1,334	3,923	5,257	323,021
Total Operating Revenues	213,976	950,931	1,164,907	11,385,678
Operating Expenses:				
Wages and fringe benefits		283,689	283,689	476,142
Administration		-	-	711,841
Medical claims		-	-	5,064,775
Workers' compensation		-	-	393,208
Repairs and maintenance		-	-	130,752
Consultants	6,749	-	6,749	161,315
Supplies, materials and rentals		-	-	229,643
Software and related communication costs		13,840	13,840	328,070
Utilities		967	967	1,780,372
Contract pickup		355,311	355,311	
Sewer billings	156,191	-	156,191	
Supplies and services	29,586	11,496	41,082	
Dumping fees		228,662	228,662	
Depreciation	23,836	23,229	47,065	209,953
Total Operating Expenses	216,362	917,194	1,133,556	9,486,071
Operating Income (Loss)	(2,386)	33,737	31,351	1,899,607
Nonoperating Revenues:				
Investment income			-	5,870
Change in Net Assets	(2,386)	33,737	31,351	1,905,477
Total Net Assets at Beginning of Year	691,491	173,411	864,902	2,484,492
Total Net Assets at End of Year	\$ 689,105	\$ 207,148	\$ 896,253	\$ 4,389,969

The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major Fund	Nonmajor Fund	Totals	Internal Service Funds
	Sewer Operating Fund	Solid Waste Disposal		
Cash Flows from Operating Activities:				
Receipts from customers	\$ 221,883	\$ 973,823	\$ 1,195,706	\$ 3,471,577
Premiums received			-	7,892,730
Payments to vendors	(252,757)	(638,849)	(891,606)	(3,876,530)
Payments for claims			-	(5,123,157)
Payments to employees		(282,324)	(282,324)	(476,142)
Net Cash Provided by (Used In) Operating Activities	(30,874)	52,650	21,776	1,888,478
Cash Flows from Noncapital Financing Activities:				
Cash advances from other funds	33,755		33,755	(6,034)
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	(2,881)	(24,281)	(27,162)	(135,567)
Principal payment - lease purchase				(67,358)
Interest paid on capital leases				(10,777)
Cash Flows from Investing Activities:				
Investment income			-	5,870
Net Increase in Cash and Cash Equivalents	-	28,369	28,369	1,674,612
Cash and Cash Equivalents at Beginning of Year	-	229,439	229,439	2,180,257
Cash and Cash Equivalents at End of Year	\$ -	\$ 257,808	\$ 257,808	\$ 3,854,869
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Operating income (loss)	\$ (2,386)	\$ 33,737	\$ 31,351	\$ 1,899,607
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	23,836	23,229	47,065	209,953
(Increase) decrease in:				
Accounts receivable	7,907	22,892	30,799	(21,371)
Other			-	22,053
Increase (decrease) in:				
Accounts payable	(60,231)	(24,573)	(84,804)	(163,382)
Claims payable			-	(58,382)
Compensated absences		1,365	1,365	
Landfill postclosure liability		(4,000)	(4,000)	
Net Cash Provided by (Used In) Operating Activities	\$ (30,874)	\$ 52,650	\$ 21,776	\$ 1,888,478

The accompanying notes are an integral part of the financial statements



**TOWN OF MANSFIELD, CONNECTICUT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010**

	<b>Postemployment Healthcare Trust Fund</b>	<b>Agency Funds</b>
	<hr/>	<hr/>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 530	\$ 1,045,855
	<hr/>	<hr/>
Investments, at Fair Value:		
Mutual funds	314,475	
	<hr/>	<hr/>
Accounts Receivable		1,961
	<hr/>	<hr/>
Due from Other Funds		116,978
	<hr/>	<hr/>
Total Assets	315,005	1,164,794
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Liabilities:		
Due to others		1,164,794
	<hr/>	<hr/>
Total Liabilities	-	1,164,794
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Net Assets Held in Trust for Postemployment Healthcare Purposes	\$ 315,005	\$ -
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements

**TOWN OF MANSFIELD, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Postemployment Healthcare Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 224,800
Investment income:	
Net appreciation in fair value of investments	26,532
Interest and dividends	<u>46</u>
Total Additions	251,378
Deductions:	
Benefits	<u>223,797</u>
Change in Net Assets	27,581
Net Assets at Beginning of Year	<u>287,424</u>
Net Assets at End of Year	\$ <u><u>315,005</u></u>

The accompanying notes are an integral part of the financial statements

## TOWN OF MANSFIELD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Mansfield, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

##### A. Reporting Entity

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

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

##### B. Government-Wide and Fund Financial Statements

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

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

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

##### Discretely Presented Component Unit

The Mansfield Discovery Depot, Inc. is included in the Town's Comprehensive Annual Financial Report as a discretely presented component unit since the Depot is financially accountable to the Town due to the Town Council's approval authority over budget increases in excess of \$10,000. The organization is reported in a separate column to emphasize that it is legally separate from the Town. The Depot appoints its own board, of which two of the members are also members of the Town Council. Mansfield Discovery

Depot, Inc. accounts for federal and state funds, local contributions and participants' fees for the operation of a child day care center.

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

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

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

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

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

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

### **D. Deposits and Investments**

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

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

## **E. Receivables and Payables**

### **Interfunds**

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

### **Property Taxes and Other Receivables**

In the government-wide financial statements, all property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 12 percent of outstanding receivable balances at June 30, 2010 and are calculated based upon prior collections.

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

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

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

## **F. Restricted Assets**

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

## **G. Capital Assets**

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

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

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

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

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

## **H. Compensated Absences**

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

## **I. Long-Term Obligations**

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

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

## **J. Fund Equity**

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

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

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

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

### Restricted Net Assets

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

### Unrestricted Net Assets

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

## **K. 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.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

1. Formal budgetary integration is employed by the Town Council as a management control device during the year for the General Fund, Capital Fund, and Capital and Non-Recurring Reserve Fund, which are the only funds with a legally adopted annual budget.
2. Prior to March 1, each department head, office, agency, board or commission of the Town, supported wholly or in part from Town funds, shall submit budget requests in the form requested by the Town Manager so as to indicate the program, activities, and work accomplished in the current fiscal year and to be accomplished during the ensuing year. These shall be accompanied by detailed estimates of expenditures to be made and of revenues other than taxes to be collected during the ensuing fiscal year, along with such other information as may be requested by the Council or the Manager.



3. Prior to April 1, the Town Manager shall present to the Council a budget consisting of:
  - a) A budget message outlining the financial situation of the Town government and describing the important features of the budget plan;
  - b) The budget of the Board of Education as submitted to the Manager, along with whatever analysis or comment the Manager wishes to provide;
  - c) Statements of the Manager's proposed operating program and expenditures for the Town functions and Town-supported functions, other than those of the Board of Education, along with comparisons of amounts expended in the last completed fiscal year and estimated amounts to be expended in the current fiscal year;
  - d) Information on amounts of revenue by source, other than property taxes collected, in the last completed fiscal year, estimates for the current year and for the ensuing year, along with information and estimates regarding property tax revenues for the same periods;
  - e) Statements of the condition and estimated condition of the Town funds and of the debt service obligations of the Town, proposed capital improvements to be undertaken during the ensuing fiscal year or later years, and the proposed methods of financing them;
  - f) And such other information as will assist the Town Council and the voting residents of Mansfield in deciding on an annual appropriation and a capital improvement program.
4. During the budget adoption process, the Town Council shall hold at least two Town Budget Information Meetings. At least ten days prior to each meeting, the Town Council shall widely distribute budget information and notices of the meetings. The Town Council shall adopt a proposed budget, including a recommended appropriation act, by May 1.
5. An annual Town Meeting for budget consideration shall be held on the second Tuesday in May. This meeting shall consider the budget presented to it by the Council and may approve, lower or raise the budget of any item. If the annual Town Meeting refuses or neglects to adopt a budget, the budget will be returned to the Council for its consideration. The Council shall return the same or a revised budget to a Town Meeting called by the Council for a date no later than ten days after the first meeting. This Town Meeting shall also approve, lower or raise the budget of any program. Should the Town Meeting then fail or refuse to adopt a budget, the budget appropriation last proposed by the Council shall be in full effect.
6. The budget approved by the Town Meeting or adopted by the Town Council shall be subject to appeal if:
  - Within 21 days after approval, electors present a petition requesting the budget be repealed and replaced by a substitute budget. The petition shall be in certain form and signed by not less than 2% of the electors as determined by the revised registry list last completed.
  - The Town Clerk determines the petition to be sufficient. If found to be sufficient, the Town Clerk shall so certify to the Town Council within five days after receipt of the petition. If insufficient, a legal notice shall be placed in a newspaper of general circulation in the Town, and no further proceedings will be necessary.
  - After certification, the question shall be submitted to a referendum of eligible voters at the budget Town Meeting. At least ten days prior to the referendum, the Town Council shall publish notice of the referendum in a newspaper having circulation in the Town. The notice shall state the date and hours the referendum will be held, and the text of the question as it will appear. The referendum shall be held on a Tuesday.
  - A majority of those voting in the referendum vote against the budget.

The level of control for all legally adopted budgets (the level at which expenditures may not legally exceed appropriations without Council and/or Town Meeting approval) is at the department level for the General Fund. The Council may make budgetary transfers from one department to another within the General Fund, not to exceed 0.5 percent of the annual budget in any one fiscal year. Transfers or new appropriations in an amount from 0.5 percent to an aggregate amount not to exceed one percent of the annual approved budget in any one fiscal year, may be approved by consecutive actions of the Council and a Town Meeting which shall be called by the Council following its action on the new spending proposal.

An appropriation or transfer of over one percent of the annual budget for an expenditure not provided for in the adopted budget may be approved by consecutive favorable actions of the Council and a referendum of the voters of the Town.

Notwithstanding the foregoing, the Council may approve appropriations without limitation as to amount if such appropriations are to be funded from revenues other than receipt of taxes or proceeds of borrowings authorized pursuant to Sections 406 and 407 of the Charter, unanticipated in the annual budget. The Council is authorized to establish special funds with respect to such appropriations.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Town Council and, if necessary, Town Meeting approval. During the year the Town had additional appropriations of \$350,000 from revised revenue estimates.

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 V) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbered appropriations in the general fund are not re-appropriated in the ensuing year's budget, but are carried forward.

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

	<b>General Fund</b>		
	<b>Revenues</b>	<b>Expenditures</b>	<b>Fund Balance</b>
Balance - Budgetary Basis, Exhibit V - June 30, 2010	\$ 41,795,404	\$ 41,754,246	\$ 1,865,895
Encumbrances outstanding at June 30, 2009, cancelled during the year ended June 30, 2010		103,541	
Encumbrances outstanding at June 30, 2009, liquidated during the year ended June 30, 2010		199,729	
Encumbrances outstanding at June 30, 2010, charged to budgetary expenditures during the year ended June 30, 2010		(381,593)	381,593
Teachers' Retirement System on-behalf payment	1,596,014	1,596,014	
Balance - GAAP Basis Exhibit IV - June 30, 2010	<u>\$ 43,391,418</u>	<u>\$ 43,271,937</u>	<u>\$ 2,247,488</u>

### **Capital Projects Authorizations**

The following is a summary of certain projects authorizations at June 30, 2010:

	<b><u>Authorization</u></b>	<b><u>Cumulative Expenditures</u></b>	<b><u>Balance June 30, 2010</u></b>
Capital projects	\$ <u>33,844,942</u>	\$ <u>26,828,323</u>	\$ <u>7,016,619</u>

#### **B. Deficits**

The Capital Projects Fund, Compensated Absences Fund and the Debt Service Fund (Nonmajor Governmental) have fund balance deficits of \$689,813, \$285,684 and \$72,794, respectively. These deficits will be funded by future transfers, and permanent financing.

#### **C. Donor Restricted Endowments**

The Town has received certain endowments for the maintenance and improvement of cemeteries and local schools. The amounts are reflected in net assets as restricted for endowments. Investment income (including depreciation of \$99,877) is approved for expenditures by the individual Boards responsible for each fund.

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

## Deposits

*Deposit Custodial Credit Risk* - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$485,496 of the Town's bank balance, including the component unit which participated in the cash pool, of \$818,892 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 411,946
Collateralized, held by banks	<u>73,550</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 485,496</u>

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio.

## Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2010, the Town's cash equivalents amounted to \$8,543,177. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater - Cooperative Liquid Assets Securities System (CLASS)	AAAm

## Investments

Investments as of June 30, 2010 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Pooled open-end mutual fund accounts:	<u>\$ 902,352</u>

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

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Town does not have an investment policy that further limits their investment options of the Town beyond that of the State Statutes.

*Concentration of Credit Risk* - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2010, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

#### 4. RECEIVABLES

Receivables as of year end for the Town's individual major funds, nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows.

	<u>General Fund</u>	<u>Mansfield Discretionary Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor Enterprise Fund</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:								
Property taxes	\$ 707,757	\$	\$	\$	\$	\$	\$	\$ 707,757
Sewer assessments				13,300				13,300
Intergovernmental	11,000		1,168,035	126,602				1,305,637
Loans		1,192,156						1,192,156
Other	82,196			17,206	100,670	15,026	241,460	456,558
Total gross current receivables	800,953	1,192,156	1,168,035	157,108	100,670	15,026	241,460	3,675,408
Less: allowance for uncollectibles	40,000				2,170	5,000		47,170
Balance, June 30, 2010	<u>\$ 760,953</u>	<u>\$ 1,192,156</u>	<u>\$ 1,168,035</u>	<u>\$ 157,108</u>	<u>\$ 98,500</u>	<u>\$ 10,026</u>	<u>\$ 241,460</u>	<u>\$ 3,628,238</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 626,737	\$
Fees collected in advance		111,965
Special assessments not yet due	13,300	
Grant drawdowns prior to meeting all eligibility requirements		84,222
Housing loans receivable	1,192,156	
Advance tax collections		92,257
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 1,832,193</u>	<u>\$ 288,444</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Transfers</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 4,850,115	\$ 100,000	\$	\$	\$ 4,950,115
Construction in progress	4,602,111	3,465,025	(1,144,898)	14,480	6,907,758
Total capital assets not being depreciated	<u>9,452,226</u>	<u>3,565,025</u>	<u>(1,144,898)</u>	<u>14,480</u>	<u>11,857,873</u>
Capital assets being depreciated:					
Land improvements	1,778,904				1,778,904
Buildings	33,461,057	52,376	54,946		33,568,379
Improvements other than buildings	382,839	-	649,000		1,031,839
Machinery and equipment	5,026,592	186,081	290,540	246,216	5,256,997
Vehicles	4,133,083	53,920	150,412	234,021	4,103,394
Infrastructure	50,181,888	-			50,181,888
Total capital assets being depreciated	<u>94,964,363</u>	<u>292,377</u>	<u>1,144,898</u>	<u>480,237</u>	<u>95,921,401</u>
Less accumulated depreciation for:					
Land improvements	198,219	59,361			257,580
Buildings	12,954,003	881,334			13,835,337
Improvements other than buildings	203,994	28,797			232,791
Machinery and equipment	3,175,167	334,690		236,374	3,273,483
Vehicles	1,857,211	214,623		210,620	1,861,214
Infrastructure	15,411,101	627,463			16,038,564
Total accumulated depreciation	<u>33,799,695</u>	<u>2,146,268</u>	<u>-</u>	<u>446,994</u>	<u>35,498,969</u>
Total capital assets being depreciated, net	<u>61,164,668</u>	<u>(1,853,891)</u>	<u>1,144,898</u>	<u>33,243</u>	<u>60,422,432</u>
Governmental Activities Capital Assets, Net	<u>\$ 70,616,894</u>	<u>\$ 1,711,134</u>	<u>\$ -</u>	<u>\$ 47,723</u>	<u>\$ 72,280,305</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 74,798	\$	\$	\$	\$ 74,798
Construction in progress	87,206	2,881			90,087
Total capital assets not being depreciated	<u>162,004</u>	<u>2,881</u>	<u>-</u>	<u>-</u>	<u>164,885</u>
Capital assets being depreciated:					
Buildings	139,625				139,625
Equipment	401,232	24,281			425,513
Pump station	161,702				161,702
Sewer distribution system	1,152,126				1,152,126
Total capital assets being depreciated	<u>1,854,685</u>	<u>24,281</u>	<u>-</u>	<u>-</u>	<u>1,878,966</u>
Less accumulated depreciation for:					
Buildings	126,635	8,543			135,178
Equipment	324,351	14,686			339,037
Pump station	46,290	2,891			49,181
Sewer distribution system	762,300	20,945			783,245
Total accumulated depreciation	<u>1,259,576</u>	<u>47,065</u>	<u>-</u>	<u>-</u>	<u>1,306,641</u>
Total capital assets being depreciated, net	<u>595,109</u>	<u>(22,784)</u>	<u>-</u>	<u>-</u>	<u>572,325</u>
Business-Type Activities Capital Assets, Net	<u>\$ 757,113</u>	<u>\$ (19,903)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,210</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$	84,651
Community environment		324,160
Public safety		85,470
Public works		877,407
Education		564,627
Capital assets held by the Town's internal service funds are charged to the various functions based on their usage of the assets		<u>209,953</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>2,146,268</u></u>
Business-type activities:		
Sewer services	\$	23,836
Solid waste services		<u>23,229</u>
Total Depreciation Expense - Business-Type Activities	\$	<u><u>47,065</u></u>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 125,148
General Fund	Compensated Absences Fund	494,315
General Fund	Capital Projects Fund	1,743,967
General Fund	Internal Service Funds	608,551
General Fund	Enterprise Funds	42,754
Internal Service Funds	Nonmajor Governmental Funds	17,772
Fiduciary Funds	General Fund	<u>116,978</u>
Total		\$ <u><u>3,149,485</u></u>

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances, with respect to the fiduciary funds. This is due to the funds' participation in the Town's pooled cash system.

Interfund Transfers:

	Transfers In				Total Transfers Out
	General Fund	Capital Project Fund	Compensated Absences Fund	Nonmajor Governmental Funds	
Transfers out:					
General Fund	\$	\$	\$	\$ 1,685,010	\$ 1,685,010
Nonmajor Governmental Funds	<u>2,500</u>	<u>873,600</u>	<u>50,000</u>		<u>926,100</u>
Total Transfers In	<u>\$ 2,500</u>	<u>\$ 873,600</u>	<u>\$ 50,000</u>	<u>\$ 1,685,010</u>	<u>\$ 2,611,110</u>

All transfers represent routine transactions that occur annually to move resources from one fund to another.

## 7. LONG-TERM DEBT

### Governmental Activities

#### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 1,975,000	\$	\$ 455,000	\$ 1,520,000	\$ 455,000
Less deferred amounts:					
Bond premium	6,136		1,228	4,908	
Deferred charge on refunding	<u>(93,236)</u>		<u>(18,648)</u>	<u>(74,588)</u>	
Total bonds	1,887,900		437,580	1,450,320	455,000
Net OPEB obligation	1,700		1,700	-	
Capital leases	858,000		226,184	631,816	167,517
Compensated absences	565,376	879,644	871,022	573,998	114,800
Retirement benefit	<u>2,403,924</u>	<u>544,914</u>	<u>252,191</u>	<u>2,696,647</u>	<u>285,866</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 5,716,900</u>	<u>\$ 1,424,558</u>	<u>\$ 1,788,677</u>	<u>\$ 5,352,781</u>	<u>\$ 1,023,183</u>
Business-type Activities:					
Compensated absences	\$ 18,114	\$ 1,365	\$	\$ 19,479	\$ 3,898
Landfill closure/postclosure	<u>104,000</u>		<u>4,000</u>	<u>100,000</u>	<u>4,000</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 122,114</u>	<u>\$ 1,365</u>	<u>\$ 4,000</u>	<u>\$ 119,479</u>	<u>\$ 7,898</u>



The annual requirements to amortize serial bonds outstanding at June 30, 2010 are as follows:

Year Ending June 30	Schools			General Purpose			Total Net Debt Service to Maturity
	Principal	Interest	Net Debt Service to Maturity	Principal	Interest	Net Debt Service to Maturity	
2011	\$ 85,000	\$ 10,912	\$ 95,912	\$ 370,000	\$ 53,853	\$ 423,853	\$ 519,765
2012	85,000	8,362	93,362	375,000	37,292	412,292	505,654
2013	80,000	5,600	85,600	380,000	20,300	400,300	485,900
2014	80,000	2,880	82,880	65,000	2,340	67,340	150,220
	<u>\$ 330,000</u>	<u>\$ 27,754</u>	<u>\$ 357,754</u>	<u>\$ 1,190,000</u>	<u>\$ 113,785</u>	<u>\$ 1,303,785</u>	<u>\$ 1,661,539</u>

#### Overlapping and Underlying Indebtedness

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

	Amount of Outstanding Debt	Applicable Grants Receivable	Net Debt Outstanding	Applicable % of Net Debt Charge to Town	Town Net Overlapping Debt
Regional School District No.19	\$ <u>14,280,000</u>	\$ <u>9,919,024</u>	\$ <u>4,360,976</u>	<u>56.8%</u>	\$ <u>2,477,034</u>

#### Termination Benefits

The Town provides severance payments to teachers and certain administrators upon retirement. To qualify for benefits the employee must achieve age 70 with at least 15 years of service as a teacher in Mansfield. The Town funds the severance cost for the 37 eligible participants. The benefits will be paid in future years as the employees retire. The amounts are paid as incurred from the General Fund. During the fiscal year ended June 30, 2010, \$252,191 was paid for these benefits.

#### Statutory Debt Limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 53,844,167	\$ 2,390,380	\$ 51,453,787
Schools	107,688,335	6,607,034	101,081,301
Sewers	89,740,279		89,740,279
Urban renewal	77,774,908		77,774,908
Pension deficit	71,792,223		71,792,223

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$167,515,187.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

### Authorized/Unissued Bonds

At June 30, 2010, the Town had \$5,000,380 of authorized and unissued bonds, \$1,200,380 for general purposes and \$3,800,000 for school purposes.

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

State and Federal laws and regulations require landfill closures to meet certain standards. The Town is in the process of finalizing an agreement with the State Department of Environmental Protection for final capping of the landfill. The landfill was covered in November 2004. The monitoring costs for the next 25 years at \$4,000 per year are \$100,000. These amounts are based on estimates which are subject to change due to inflation, technology or applicable laws and regulations. The liability as described above is recorded in the nonmajor enterprise solid waste disposal fund.

## **8. RISK MANAGEMENT**

### **A. Risk Management**

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

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

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

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

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

		<b>Claims Payable July 1</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable June 30</b>
2008-09	\$	453,478	\$ 5,550,907	\$ 5,536,003	\$ 468,382
2009-10		468,382	5,094,550	5,152,932	410,000

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

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

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

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

## **B. Commitments and Litigation**

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

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

## **9. PENSION PLANS**

### **Municipal Employees' Retirement Fund**

#### **A. Plan Description**

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

#### **B. Plan Provisions**

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

#### **C. Funding Policy**

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

The required and actual contributions for the years ended June 30, 2008, 2009 and 2010 were, \$608,670, \$621,694 and \$636,299 respectively.

### **Teachers' Retirement Plan**

All Town teachers participate in the State of Connecticut Teachers' Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$10,343,307.

The retirement system for teachers is funded by the State based upon the recommendation of the Teacher's Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2010, the Town has recorded in the General Fund intergovernmental revenue schools and schools expenditures in the amount of \$1,596,014 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pension.

The State of Connecticut Teachers' Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

## 10. OTHER POST EMPLOYMENT BENEFITS

### A. Plan Description

The Town, in accordance with various collective bargaining agreements and State Statutes, is committed to providing health and other benefits to certain eligible retirees and their spouses through a single employer defined benefit plan. The Post-Employment Healthcare Trust covers all other Town and Board of Education employees, including teachers. Under the various collective bargaining agreements, retirees and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits. The Town does not issue a separate stand-alone financial statement for this program.

At July 1, 2008, Town plan membership consisted of the following:

	<b>Post- Employment Healthcare Trust</b>
Retired participants	41
Spouses	16
Active plan members	332
Total Participants	389

### B. Funding Policy

The Town administers a Postemployment Health Care Plan to provide medical benefits for eligible retirees and their spouses. Funding and payment of postemployment benefits are accounted for in the Post-Employment Healthcare Trust. The Town plans to continue a funding strategy that provides for normal cost and the amortization of the accrued liability. The Town contributes to its other post employment benefits fund based upon the recommendations in its OPEB actuarial study. The study accounts for numerous factors such as turnover and retirement rates, mortality assumptions, medical inflation and claims costs assumptions, and discount rate assumptions.

#### Eligibility:

Eligibility for benefits and the level of benefits generally range from 10 to 25 years of service at the time of retirement as determined by the employee's collective bargaining agreement or personnel rules (non-union employees).

#### Retiree Medical:

Retirees (as defined in the employee's respective collective bargaining agreement or personnel rules (non-union)) are eligible to purchase insurance through the Town. The Town contribution towards retiree medical varies from a fixed dollar amount to a percentage of the premium for one person coverage only.

Retiree Life Insurance:

Retirees (as defined in the employee's respective collective bargaining agreement or personnel rules (nonunion)) are eligible to purchase a life insurance policy until age 75; the maximum benefit for said policy is \$10,000.

**C. Annual OPEB Cost and Net OPEB Obligations**

The Town of Mansfield's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

		<b>Post- Employment Healthcare Trust</b>
Annual required contribution (ARC)	\$	218,300
Interest on net OPEB obligation		128
Adjustment to annual required contribution		(155)
Annual OPEB cost		218,273
Contributions made		224,800
Decrease in net OPEB obligation		(6,527)
Net OPEB obligation, beginning of year		1,700
Net OPEB (Asset), End of Year	\$	<u>(4,827)</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2010 and 2009 are presented below.

<b>Fiscal Year Ended</b>		<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
6/30/09	\$	212,200	\$ 210,500	99.20%	\$ 1,700
6/30/10		218,273	224,800	102.99%	(4,827)

As of July 1, 2008, the most recent actuarial valuation date, the Town plan was 12.8% funded. The actuarial accrued liability for benefits was approximately \$1.92 million, and the actuarial value of assets was \$246,800 resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$1.67 million.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/08	\$ 246,800	\$ 1,916,300	\$ 1,669,500	12.88%	19,358,398	8.6%

## Schedule of Employer Contribution

Fiscal Year	Annual Required Contribution	Percentage Contributed
6/30/09	\$ 212,200	99.2%
6/30/10	218,300	103.0%

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation of the Town Plan, the Projected Unit Credit Cost method was used. The actuarial assumptions include a 7.5% investment rate of return as a trust fund is in existence, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 6.5% initially, reduced by decrements to an ultimate rate of 4.1% after seven years. The projected salary increases were 4%. The UAAL is being amortized as a 25 year level dollar amortization.

## 11. SUBSEQUENT EVENTS

On September 13, 2010 at Town Meeting, voters authorized the appropriation and the issuance of bonds in the amount of \$263,000 for various equipment acquisitions and capital maintenance.

On November 2, 2010 at Referendum, voters authorized the appropriation and the issuance of bonds in the amount of \$1,040,000 for the acquisition of land for open space, and \$2,735,000 for the replacement of the Stone Mill Road bridge and the Laurel Lane bridge.

## APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

*The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.*

### BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful bidder when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful bidder.

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Mansfield  
Mansfield, Connecticut

We have represented the Town of Mansfield, Connecticut as Bond Counsel in connection with the issuance by the Town of \$2,840,000 General Obligation Bonds, Issue of 2011, dated as of March 22, 2011.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Mansfield is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the Town when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the Town has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds are designated or deemed designated as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and (3) the Bonds are "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.



Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

## **FEDERAL INCOME TAX.**

***Interest Excluded From Gross Income.*** The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for Federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for Federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The Town officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the Town relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for Federal income tax purposes.

***Alternative Minimum Tax.*** The Code imposes an alternative minimum tax on individuals and an alternative minimum tax on corporations. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity" the Bonds so that interest on the Bonds will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

The Code also provides that for most corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

***Financial Institutions.*** The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds will be "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

***Additional Federal Income Tax Matters.*** In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral Federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

## **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the Federal alternative minimum tax.

#### **ORIGINAL ISSUE DISCOUNT.**

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for Federal income tax purposes. Accrued original issue discount on a bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the Federal and state income tax consequences of the disposition of such Bonds.

#### **ORIGINAL ISSUE PREMIUM.**

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for Federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. Owners of Bonds having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the Federal and state income tax consequences of the disposition of such Bonds.

## **GENERAL.**

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that future Federal legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds or will not change the effect of other Federal tax law consequences discussed above of owning and disposing of the Bonds. No assurance can be given that future legislation, or amendments to the State income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates.

The information above does not purport to deal with all aspects of Federal or State of Connecticut taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal, state and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds.*

### **Continuing Disclosure Agreement for Bonds**

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of March 22, 2011 by the Town of Mansfield, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$2,840,000 General Obligation Bonds, Issue of 2011, dated as of March 22, 2011 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

**Section 1. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated March 8, 2011 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

### **Section 2. Annual Financial Information.**

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2010) as follows:

(i) Financial statements of the Issuer's general fund and trust or agency funds, for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the gross and the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,

- (F) total direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided. The Issuer's fiscal year currently ends on June 30.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

### **Section 3. Notice of Certain Events.**

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

#### **Section 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

#### **Section 6. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Director of Finance, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Director of Finance is Town Hall, 4 South Eagleville Road, Mansfield, Connecticut 06268-2599.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

#### **Section 8. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF MANSFIELD

By \_\_\_\_\_  
Matthew W. Hart  
Town Manager

By \_\_\_\_\_  
Cheryl A. Trahan  
Director of Finance

By \_\_\_\_\_  
Keri J. Rowley  
Treasurer

## **APPENDIX D - NOTICE OF SALE**

**NOTICE OF SALE**  
**\$2,840,000**  
**Town of Mansfield, Connecticut**  
**General Obligation Bonds**  
**(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Mansfield, Connecticut at Day Pitney LLP, Crandall Conference Room, 242 Trumbull Street, , Hartford, Connecticut, until **11:00 A.M. (Eastern Standard Time) on TUESDAY,**

**MARCH 8, 2011**

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

**\$2,840,000 General Obligation Bonds, Issue of 2011**  
**Payable annually on March 15 as follows:**

**\$220,000 in 2014 to 2025**  
**\$200,000 in 2026**

The Bonds will be dated March 22, 2011, with interest payable on September 15, 2011 and thereafter semiannually on each March 15th and September 15th.

The Bonds will be general obligations of the Town payable from ad valorem taxes levied on all taxable property in the Town without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

**DTC Book Entry.** The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates will be the last business day of August and February.



**Redemption.** Bonds maturing on and after March 15, 2017 are subject to redemption prior to maturity, at the option of the Town, on or after March 15, 2016, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
March 15, 2016 and thereafter	100%

**Proposals.** Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.**

**Disclaimer** - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice and the form of Proposal for Bonds.

**Basis of Award.** As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to March 22, 2011, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder

whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

**Certifying and Paying Agent.** The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

**Delivery.** At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

**Bond Counsel Opinion.** The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the Town when duly certified; (2) that, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and the Bonds are "qualified tax-exempt obligations"; and (3) that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

**Official Statement.** The Town of Mansfield has prepared a preliminary Official Statement for the Bond issue which is dated March 1, 2011. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning purchaser 100 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the Town's financial advisor, Independent Bond and Investment Consultants LLC, Madison, Connecticut, by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

**Continuing Disclosure Agreement.** The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain material events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for Bonds.

**CUSIP Numbers.** The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It is anticipated that the Town will apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Reoffering Prices.** IT SHALL BE THE RESPONSIBILITY OF THE PURCHASER TO FURNISH TO THE TOWN IN WRITING BEFORE THE DELIVERY OF THE BONDS THE REOFFERING PRICES AT WHICH A SUBSTANTIAL PORTION OF EACH MATURITY OF THE BONDS WERE SOLD.

**Delivery Date and Payment.** It is expected that the closing on the Bonds will occur on or about March 22, 2011 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

**More Information.** For more information regarding this issue and the Town reference is made to the Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. William N. Lindsay, Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 (telephone: (203) 245-9603) or from Ms. Cheryl A. Trahan, Director of Finance, Town of Mansfield, Town Hall, 4 South Eagleville Road, Mansfield, Connecticut 06268-2599 (telephone: (860) 429-3344).

MATTHEW W. HART,  
*Town Manager*

CHERYL A. TRAHAN,  
*Director of Finance*

KERI J. ROWLEY,  
*Treasurer*

March 1, 2011

# PROPOSAL FOR BONDS

March 8, 2011

Ms. Cheryl A. Trahan  
 Director of Finance  
 Town of Mansfield  
 c/o Day Pitney LLP  
 242 Trumbull Street  
 Crandall Conference Room  
 Hartford, Connecticut 06103

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated March 1, 2011 which is hereby made a part of this proposal, we hereby offer to purchase all of the aggregate principal amount of \$2,840,000 General Obligation Bonds, Issue of 2011, of the Town of Mansfield described in said Notice of Sale, and to pay therefor the price of par plus a premium of \$\_\_\_\_\_ plus interest accrued on said Bonds to the date of their delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2014	\$220,000	_____%	2021	\$220,000	_____%
2015	\$220,000	_____%	2022	\$220,000	_____%
2016	\$220,000	_____%	2023	\$220,000	_____%
2017	\$220,000	_____%	2024	\$220,000	_____%
2018	\$220,000	_____%	2025	\$220,000	_____%
2019	\$220,000	_____%	2026	\$200,000	_____%
2020	\$220,000	_____%			

We acknowledge receipt of the Official Statement referred to in the Notice of Sale.

Name of Bidder: \_\_\_\_\_

Address of Bidder: \_\_\_\_\_

Signature of Officer or  
 Authorized Agent of Bidder: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

The following is our computation of the percentage of true interest cost, made as provided in the above mentioned Notice of Sale, and certain other information, which is not part of the foregoing proposal.

Percent of True Interest Cost \_\_\_\_\_ %  
 (four decimals)

Gross Interest \$ \_\_\_\_\_

Accrued Interest from March 22, 2011  
 to March 22, 2011 \$ \_\_\_\_\_

Premium \$ \_\_\_\_\_