

**TOWN OF BRANFORD, CONNECTICUT**

**JUNE 30, 2009**

# TOWN OF BRANFORD, CONNECTICUT

JUNE 30, 2009

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## Independent Auditors' Report

Board of Finance  
Town of Branford  
Branford, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Branford, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, each major fund and the aggregate remaining fund information of the Town of Branford, Connecticut, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3 through 10 and budgetary comparison information on pages 47 through 52 are not a required part of the basic financial statements but are 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

December 22, 2009

**TOWN OF BRANFORD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

This discussion and analysis of the Town of Branford, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts in this MD&A are expressed in thousands unless otherwise noted.

**FINANCIAL HIGHLIGHTS**

- Net assets of our governmental activities increased by \$3,482.
- During the year, the Town had expenses that were \$3,482 less than the \$101,477 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$97,996 with no new programs added this year.
- The General Fund reported a fund balance this year of \$17,782.
- The resources available for appropriation were \$1,743 more than budgeted for the General Fund. Expenditures were kept within spending limits.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

***Government-Wide Financial Statements***

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, are one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities:

- *Governmental activities* - The Town's basic services are reported here, including education, public safety, public works and highway, parks, recreation and libraries, health and human services, pension and insurance, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

### ***Fund Financial Statements***

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Assessment Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Workers' Compensation Fund, Heart and Hypertension Fund and Medical Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Town’s combined net assets increased from a year ago, increasing from \$111,247 to \$114,729. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town’s governmental activities.

**TABLE 1  
NET ASSETS**

	<b>Governmental Activities</b>	
	<u><b>2009</b></u>	<u><b>2008</b></u>
Current assets	\$ 51,085	\$ 47,418
Capital assets, net of accumulated depreciation	131,010	133,527
Total assets	<u>182,095</u>	<u>180,945</u>
Long-term debt outstanding	53,214	54,790
Other liabilities	14,152	14,909
Total liabilities	<u>67,366</u>	<u>69,699</u>
Net Assets:		
Invested in capital assets, net of debt	81,371	80,483
Restricted	226	254
Unrestricted	<u>33,132</u>	<u>30,510</u>
Total Net Assets	<u>\$ 114,729</u>	<u>\$ 111,247</u>

The Town experienced an increase in net assets of its governmental activities of 3.2% as compared to the prior year. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$30,510 at June 30, 2008 to \$33,132 at the end of this year.

The change in unrestricted governmental net assets was primarily due to the Town’s positive results of operations and investments in capital assets including the renovation of two sanitary sewer pump stations.

**TABLE 2  
CHANGE IN NET ASSETS**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Revenues:		
Program revenues:		
Charges for services	\$ 9,662	\$ 9,260
Operating grants and contributions	10,596	23,022
Capital grants and contributions	1,020	3
General revenues:		
Property taxes	77,354	74,067
Grants and contributions not restricted to specific programs	1,379	2,678
Unrestricted investment earnings	1,108	1,869
Other general revenues	358	544
Total revenues	<u>101,477</u>	<u>111,443</u>
Program expenses:		
General government	7,390	6,774
Public safety	14,381	10,651
Public works and highway	12,464	11,109
Parks, recreation and libraries	3,138	3,377
Health and human services	2,808	2,612
Education	56,105	65,763
Pension and insurance	-	7,924
Interest debt service	1,709	1,902
Total program expenses	<u>97,995</u>	<u>110,112</u>
Increase in Net Assets	<u>\$ 3,482</u>	<u>\$ 1,331</u>

The Town's total revenues were \$101,477. The total cost of all programs and services was \$97,996. Our analysis which follows considers the operations of governmental activities.

***Governmental Activities***

The General Fund contributed significantly to the Town's overall increase in net assets. Total revenues were \$1,743 higher than budgeted. Of this amount, \$856 resulted from strong property tax collections that include prior year levies, interest and penalties. Taxes on the current levy exceeded the budget by \$603. Intergovernmental Revenue exceeded budget due to conservative estimates of state assistance and an expectation that principal and interest subsidies from the State's school construction program would be reduced pursuant to audits. Fee income from building permits and ambulance transports offset weaker than expected Town Clerk fees to yield a positive variance of 162. Other Income exceeded the budget by \$248 primarily due to appreciation in fixed income government obligations caused by falling rates and credit worries.



Expenditures were \$2,751 less than anticipated. The primary factors contributing to the expenditure balance relate to a decline in solid waste activity fees, police extra duty activity coupled with positive developments relating to insurance renewals, which are generally determined after the budget is adopted. In addition, pension costs were lower than anticipated due to unsettled labor contracts. In an addition departments were asked to make a conscious effort to reduce spending. The Board of Education operated under a similar directive resulting in an unexpended balance of \$440. Finally, vacancies in various departments produced savings in direct wages.

Table 3 presents the cost of each of the Town’s five largest programs - police, fire, public works, education, and parks and recreation - as well as each program’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
General government	\$ 7,390	\$ 6,774	\$ 6,109	\$ 5,308
Public safety	14,381	10,651	12,325	8,813
Public works and highway	12,464	11,109	7,898	6,987
Parks, recreation and libraries	3,138	3,377	2,285	3,030
Health and human services	2,808	2,612	1,416	1,029
Education	56,105	65,763	45,147	43,398
Pension and insurance		7,924		7,554
Interest and debt service	1,709	1,902	1,537	1,709
Total	<u>\$ 97,995</u>	<u>\$ 110,112</u>	<u>\$ 76,717</u>	<u>\$ 77,828</u>

**TOWN FUNDS FINANCIAL ANALYSIS**

***Governmental Funds***

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$23,225, which is an increase from last year’s total of \$21,499. The primary reason for the increase relates to positive general fund and sewer assessment fund operations and a reduction in notes payable reflecting reduction associated with permanently financing the remaining clean water fund obligation.

### ***General Fund Budgetary Highlights***

The Town's general fund expenditures plus encumbrances totaled \$85,883. Unexpended appropriations in public safety, public works, education and pension and insurance coupled with smaller unexpended balances from other areas produced a favorable variance of \$2,751. During the year, the Town was able to appropriate an additional \$232,966 to reflect funds received for the Board of Education relating to energy assistance, additional modules for the financial system and to return funds to the State of Connecticut pursuant to the closeout of school construction projects. Revenues totaled \$87,399 this amount reflects strong tax collections and favorable non tax revenue experience and conservative estimates.

The Town's General Fund balance of \$17,782 reported on Exhibit IV differs from the General Fund's budgetary fund balance of \$17,399. This is principally because budgetary fund balance does not include \$383 of outstanding encumbrances at year end which are reported as expenditures for budgetary purposes.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### ***Capital Assets***

At June 30, 2009, the Town had \$131,010 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment - Table 4. This amount represents a net decrease (including additions and deductions) of \$2,517 or 2%, over last year.

**TABLE 4  
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
Land	\$ 12,888	\$ 12,864
Land improvements	878	811
Buildings	75,680	75,451
Machinery and equipment	9,504	8,534
Construction in progress	1,090	3,803
Infrastructure	30,970	32,064
Total	<u>\$ 131,010</u>	<u>\$ 133,527</u>

The Town has implemented the provisions of the GASB Statement No. 34 which require the reporting of infrastructure assets acquired prior to July 1, 2002.

The Town's fiscal-year 2009-10 budget as adopted does not contemplate any major additions to capital assets. However, the Town anticipates authorizing notes during the 2009-10 fiscal year for litigation associated with the Tabor Drive acquisition, fire apparatus, a new roof at the Walsh Intermediate School and the design of a new fire headquarters. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

### ***Long-Term Debt***

At June 30, 2009, the Town had \$43,609 in bonds and notes outstanding versus \$45,854 last year - a decrease of \$2,245 or approximately 5%. The Town anticipates that this reduction will provide the added debt capacity for future capital projects and potential future liabilities resulting from judgments.

The Town's general obligation bond rating from Moody's Investor Services, a national rating agency, remains at Aa2, and represents the second rating increase from Moody's since 2001. The Town's rating from Standard & Poor's increased to AAA in February. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this state-imposed limit of \$547 million.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's elected and appointed officials considered many factors when adopting the fiscal-year 2009-2010 budget and corresponding tax rates. Town officials confronted a number of challenges while formulating the budget, including, but not limited to, the uncertainty with regard to State assistance and a continued shift in the tax burden to residential property owners exacerbated by past revaluations. Falling interest rates and an overall decline in real estate sales and building permit activity were also incorporated into the budget plan. In developing the budget, Town officials acknowledged that property owners were faced with their own economic constraints and job insecurities associated with the recession. Faced with these challenges, officials sought to minimize the increase in the Town's tax requirements while acknowledging that the demand for many municipal services would increase. In developing the budget, the Town established the following budget guidelines that provided the rationale for many of the budgetary decisions: maintain the current level of existing services while refraining from adding new programs; fund current and future liabilities; preserve the undesignated fund balance; continue to invest in new vehicles and equipment to ensure continued service delivery; preserve the Town's investment in its properties and buildings; and to continue to fund many capital items on a pay-as-you-go basis so as to limit the amount of outstanding debt.

As a result of these efforts and adherence to the above guidelines, Branford adopted a General Fund budget of \$88,486,977 for 2009-2010 which represents a decrease of \$147 thousand or 0.2% as compared to the 2008-2009 amended budget. It is important to note that nontax revenue is expected to decrease by \$1.1 million. Increased property taxes of approximately \$965 thousand combined with a \$3 million appropriation from fund balance will offset nontax revenue reductions and lower tax collection rates.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Branford, P.O. Box 150, and 1019 Main Street, Branford, Connecticut 06405 or visit the Branford's website at [www.Branford-ct.gov](http://www.Branford-ct.gov).

## TOWN OF BRANFORD, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2009

	<b>Governmental Activities</b>
	<u>                    </u>
Assets:	
Cash and cash equivalents	\$ 32,840,808
Investments	6,073,439
Receivables, net	9,796,356
Inventory	12,504
Prepaid items	23,159
Net pension asset	188,706
Net OPEB asset	2,149,200
Capital assets not being depreciated	13,978,365
Capital assets being depreciated, net of accumulated depreciation	117,031,987
Total assets	<u>182,094,524</u>
Liabilities:	
Accounts and other payables	3,513,565
Unearned revenue	5,804,931
Bond anticipation notes and notes payable	4,700,000
Other	133,065
Noncurrent liabilities:	
Due within one year	5,566,934
Due in more than one year	47,647,041
Total liabilities	<u>67,365,536</u>
Net Assets:	
Invested in capital assets, net of related debt	81,370,828
Restricted for Trusts:	
Expendable	125,993
Nonexpendable	100,420
Unrestricted	<u>33,131,747</u>
Total Net Assets	<u>\$ 114,728,988</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 7,389,824	\$ 1,242,562	\$ 38,758	\$	\$ (6,108,504)
Public safety	14,381,350	1,906,460	149,683		(12,325,207)
Public works and highway	12,463,746	3,821,683	293,710	449,999	(7,898,354)
Parks, recreation and libraries	3,138,122	392,286	10,607	450,000	(2,285,229)
Health and human services	2,808,489	673,814	719,003		(1,415,672)
Education	56,105,026	1,625,155	9,212,647	120,487	(45,146,737)
Interest and debt service	1,709,359		171,960		(1,537,399)
Total	<u>\$ 97,995,916</u>	<u>\$ 9,661,960</u>	<u>\$ 10,596,368</u>	<u>\$ 1,020,486</u>	<u>(76,717,102)</u>
General revenues:					
Property taxes					77,354,172
Grants and contributions not restricted to specific programs					1,378,851
Unrestricted investment earnings					1,107,831
Miscellaneous					358,586
Total general revenues					<u>80,199,440</u>
Change in net assets					3,482,338
Net Assets at Beginning of Year					<u>111,246,650</u>
Net Assets at End of Year					<u>\$ 114,728,988</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,549,768	\$ 1,213,676	\$ 1,647,776	\$ 6,094,797	\$ 29,506,017
Investments	5,955,428			118,011	6,073,439
Receivables, net	7,026,154		925,119	1,837,332	9,788,605
Due from other funds	3,039,686	4,664,329		406,875	8,110,890
Inventories				12,504	12,504
Other assets	23,159				23,159
Total Assets	<u>\$ 36,594,195</u>	<u>\$ 5,878,005</u>	<u>\$ 2,572,895</u>	<u>\$ 8,469,519</u>	<u>\$ 53,514,614</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables	\$ 2,033,653	\$ 755,363	\$ 3,231	\$ 536,765	\$ 3,329,012
Due to other funds	5,304,259	2,930,000		111,631	8,345,890
Deferred revenue	11,340,954		925,121	1,515,151	13,781,226
Bond anticipation notes and notes payable		4,700,000			4,700,000
Other	133,065				133,065
Total liabilities	<u>18,811,931</u>	<u>8,385,363</u>	<u>928,352</u>	<u>2,163,547</u>	<u>30,289,193</u>
Fund balances:					
Reserved	383,388	299,986		596,401	1,279,775
Unreserved, reported in:					
General Fund	17,398,876				17,398,876
Special Revenue Funds			1,644,543	5,583,578	7,228,121
Capital Project Funds		(2,807,344)			(2,807,344)
Permanent Funds				125,993	125,993
Total fund balances	<u>17,782,264</u>	<u>(2,507,358)</u>	<u>1,644,543</u>	<u>6,305,972</u>	<u>23,225,421</u>
Total Liabilities and Fund Balances	<u>\$ 36,594,195</u>	<u>\$ 5,878,005</u>	<u>\$ 2,572,895</u>	<u>\$ 8,469,519</u>	<u>\$ 53,514,614</u>

(Continued on next page)

## TOWN OF BRANFORD, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

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	\$ 23,225,421
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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	\$ 223,832,791	
Less accumulated depreciation	(92,822,439)	
Net capital assets	<u>131,010,352</u>	131,010,352

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

Net OPEB asset	2,149,200
Net pension asset	188,706
Property tax receivables greater than 60 days	1,601,950
Interest receivable on property taxes	917,126
Assessments receivable	1,062,609
Housing loans receivable	626,549
Receivable from the state for school construction projects	3,768,064

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.

	1,809,432
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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	(43,609,256)
Interest payable on bonds and notes	(183,275)
Compensated absences	(5,269,504)
Capital lease	(1,330,268)
Deferred charges on refunding	118,182
Landfill	<u>(1,356,300)</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 114,728,988</u>
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The accompanying notes are an integral part of the financial statements



## TOWN OF BRANFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 77,396,463	\$	\$	\$	\$ 77,396,463
Assessments and interest			379,140	2,600,737	2,979,877
Intergovernmental	8,274,139	899,999		4,167,553	13,341,691
Charges for services	3,445,274			2,265,012	5,710,286
Income on investments	965,832	14,107	16,666	85,490	1,082,095
Miscellaneous	1,108,676	122,222		271,795	1,502,693
Total revenues	<u>91,190,384</u>	<u>1,036,328</u>	<u>395,806</u>	<u>9,390,587</u>	<u>102,013,105</u>
Expenditures:					
Current:					
General government	4,524,283			443,845	4,968,128
Public safety	9,130,692			347,854	9,478,546
Public works and highway	5,002,071		5,249	2,940,775	7,948,095
Parks, recreation and libraries	2,096,246			406,463	2,502,709
Health and human services	1,562,520			651,916	2,214,436
Education	49,602,424			4,137,212	53,739,636
Pension and insurance	7,434,458			3,359,598	10,794,056
Capital outlay		4,690,562			4,690,562
Debt service	5,556,453	46,283	193,669	44,573	5,840,978
Total expenditures	<u>84,909,147</u>	<u>4,736,845</u>	<u>198,918</u>	<u>12,332,236</u>	<u>102,177,146</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,281,237</u>	<u>(3,700,517)</u>	<u>196,888</u>	<u>(2,941,649)</u>	<u>(164,041)</u>
Other Financing Sources (Uses):					
Transfers in	383,250	3,816,390		2,038,879	6,238,519
Transfers out	(5,200,269)	(235,000)		(803,250)	(6,238,519)
Proceeds from refunding bond issuance	11,395,000	2,500,898			13,895,898
Payments to escrow agents	(12,005,617)				(12,005,617)
Total other financing sources (uses)	<u>(5,427,636)</u>	<u>6,082,288</u>	<u>-</u>	<u>1,235,629</u>	<u>1,890,281</u>
Net Change in Fund Balances	853,601	2,381,771	196,888	(1,706,020)	1,726,240
Fund Balances at Beginning of Year	<u>16,928,663</u>	<u>(4,889,129)</u>	<u>1,447,655</u>	<u>8,011,992</u>	<u>21,499,181</u>
Fund Balances at End of Year	<u>\$ 17,782,264</u>	<u>\$ (2,507,358)</u>	<u>\$ 1,644,543</u>	<u>\$ 6,305,972</u>	<u>\$ 23,225,421</u>

(Continued on next page)

## TOWN OF BRANFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

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)	\$ 1,726,240
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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	2,371,470
Depreciation expense	(4,798,139)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(90,111)
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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:

School building grant receipts	(708,642)
Property tax receivable - accrual basis change	87,854
Property tax interest and lien revenue - accrual basis change	(130,145)
Sewer assessment receivable - accrual basis change	24,053
Net OPEB asset	2,149,200
Housing loans receivable	81,699
Net pension asset	32,150

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	16,140,866
Issuance of clean water notes	(2,500,898)
Capital lease payments	169,553
Refunding bonds issued	(11,395,000)
Deferred amount on refunding	130,000

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	(417,827)
Accrued interest	18,266
Amortization of deferred charge on refunding	(321,449)
Landfill post closure care	(48,300)

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.

961,498
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Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u>3,482,338</u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS

JUNE 30, 2009

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Assets:	
Cash and cash equivalents	\$ 3,334,791
Accounts receivable	7,751
Due from other funds	<u>235,000</u>
Total assets	<u>3,577,542</u>
Liabilities:	
Accounts and other payables	1,281
Risk management claims	<u>1,766,829</u>
Total liabilities	<u>1,768,110</u>
Net Assets:	
Unrestricted	\$ <u><u>1,809,432</u></u>

The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## PROPRIETARY FUNDS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Operating Revenues:	
Contributions for benefits	\$ 2,807,719
Other	174,287
Total contributions	<u>2,982,006</u>
Operating Expenses:	
Benefit claims	1,918,339
Claims administration	127,905
Total operating expenses	<u>2,046,244</u>
Operating Income	935,762
Nonoperating Revenue:	
Income on investments	<u>25,736</u>
Change in Net Assets	961,498
Net Assets at Beginning of Year	<u>847,934</u>
Net Assets at End of Year	<u>\$ 1,809,432</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2009

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from operating funds	\$ 2,762,674
Cash payments to providers of benefits and administration	(1,876,658)
Net cash provided by operating activities	<u>886,016</u>
Cash Flows from Investing Activities:	
Income on investments	<u>25,736</u>
Net Increase in Cash and Cash Equivalents	911,752
Cash and Cash Equivalents at Beginning of Year	<u>2,423,039</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,334,791</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 935,762
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in receivables	(219,332)
Increase (decrease) in accounts payable	<u>169,586</u>
Net Cash Provided by Operating Activities	<u>\$ 886,016</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	<b>Pension Trust Fund</b>	<b>Retiree Benefits Trust Fund</b>	<b>Agency Funds</b>
Assets:			
Cash and cash equivalents	\$ 329	\$ 3,359,598	\$ 1,408,364
Investments - mutual funds	5,761,666		375,704
Investments - bonds	7,316,904		
Total assets	<u>13,078,899</u>	<u>3,359,598</u>	<u>\$ 1,784,068</u>
Liabilities:			
Due to students and others			\$ 1,784,068
Total liabilities	-	-	<u>\$ 1,784,068</u>
Net Assets:			
Held in Trust for Pension, or Retiree Benefits	<u>\$ 13,078,899</u>	<u>\$ 3,359,598</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF BRANFORD, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF CHANGES IN NET ASSETS

## FOR THE YEAR ENDED JUNE 30, 2009

	<b>Pension Trust Fund</b>	<b>Retiree Benefits Trust Fund</b>
	<u>          </u>	<u>          </u>
Additions:		
Contributions:		
Employer	\$ 806,769	\$ 3,968,098
Plan members	216,289	
Total contributions	<u>1,023,058</u>	<u>3,968,098</u>
Investment income (loss):		
Net depreciation in fair value of investments	(1,762,857)	
Interest and dividends	<u>507,368</u>	
Net investment loss	<u>(1,255,489)</u>	<u>-</u>
Total additions (reductions)	<u>(232,431)</u>	<u>3,968,098</u>
Deductions:		
Benefits	814,893	608,500
Administration	<u>76,951</u>	
Total deductions	<u>891,844</u>	<u>608,500</u>
Net Increase (Decrease) in Net Assets	(1,124,275)	3,359,598
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>14,203,174</u>	<u>-</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 13,078,899</u>	<u>\$ 3,359,598</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF BRANFORD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Branford (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 is incorporated under the provisions of the Statutes of the State of Connecticut. The Town operates under a Representative Town Meeting/Board of Selectmen form of Government and provides the following services as authorized by its Charter: Administrative, Public Safety, Public Works, Health and Welfare, Recreation, Libraries, Education and Public Improvements.

#### 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 Town. For the most part, the effect of interfund activity has been removed from these statements.

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 are reported as separate columns in the fund financial statements.

The various funds included in the financial statements are described below:

#### **Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

*Special Revenue Funds* account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.



*Capital Project Funds* account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

*Permanent Funds* are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

### **Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Town's proprietary funds:

*Internal Service Funds* account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Workers' Compensation Fund, the Heart and Hypertension Fund and the Medical Fund are the Town's internal service funds.

### **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

*Pension Trust Fund* accounts for the Branford Retirement System.

*Retiree Benefits Trust Fund* accounts for the retiree health benefits provided by the Town.

*Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue 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, charges for services, licenses 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.

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 Town, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for the financial resources for the acquisition and construction of major capital facilities.

The Sewer Assessment Fund is used to account for the financial resources related to the sewer assessment projects.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the self insured activities of the Town.

The Pension Trust Fund accounts for the activities of the Branford Retirement System, which accumulates resources for pension benefit payments to qualified Town employees.

The Retiree Benefits Trust Fund accounts for the retiree health benefits provided by the Town, which accumulates resources for retiree health insurance payments to qualified retirees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have 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 payments in lieu of taxes and other charges between certain Town's functions because the 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 property 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 Town's internal service funds are charges to customers for benefits. Operating expenses for the internal service fund 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.

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

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

### **E. Receivables and Payables**

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). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Property taxes are assessed as of October 1 and billed the following July. Property taxes are payable in two installments on July 1 and January 1. Automobile levies and amounts under \$100 are due in one installment. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1-1/2% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Unpaid balances at June 30 are liened. An amount of \$513,617 has been established as an allowance for uncollectible taxes. At June 30, 2009, this represents 21.38% of all property taxes receivable.

### **F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **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 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 and an estimated useful life in excess of one year. 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. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	45
Land improvements	20
Infrastructure	20-60
Vehicles	6-12
Office equipment	7-10
Computer equipment	5-7

#### **H. Compensated Absences**

Unused sick leave may be accumulated for certain employees up to a limit ranging from 50 to 225 days, depending upon the contracts in force, for each department in the Town until termination, retirement or death, at which time payments will be made. The liability is reported in the government-wide statement of net assets. Payments at termination are charged to the General Fund.

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

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

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

### **A. Budgetary Information**

A budget for the General Fund and certain Special Revenue Funds are authorized annually by the Town. The Board of Finance recommends and the Representative Town Meeting (RTM) approves the budget.

The Town adheres to the following procedures in establishing the budgetary data reported in the financial statements for the General Fund and specific Special Revenue Funds (Sewer Assessment, Water Assessment, Open Space Fund, Board of Education Program Fund and Day Care). As required by Town Charter, the Board of Finance holds a public hearing to review and discuss the proposed annual Town budget no later than two weeks before the Annual Budget Meeting of the RTM. The Board of Finance then recommends and submits a formal annual appropriations budget to the RTM. The RTM must take action on the adoption of the appropriations recommended by the Board of Finance at the Annual Budget Meeting, which must be held

no later than the Friday following the second Tuesday of May. Thereafter, but no later than June 1, the Board of Finance shall determine the rate of taxation for the ensuing fiscal year.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the line item level for all budgeted funds. The Board of Finance, upon the request of individual departments, offices or agencies, may approve and must recommend all transfers to the RTM. No recommended transfer by the Board of Finance shall be effective unless approved by the RTM. There were supplemental appropriations of \$232,966 of this year; \$41,525 resulted from revised revenues, the remaining \$191,441 were appropriations from fund balance.

All unencumbered appropriations lapse at year-end except for those in the Capital Projects Fund. Appropriations for these funds are continued until completion of the applicable projects, which often last more than one fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

### **B. Deficit Fund Balance**

The Capital Projects Fund had a deficit fund balance of \$2,507,358. The Water Assessment Fund, a nonmajor special revenue fund, had a deficit fund balance of \$3,314. The Heart and Hypertension Fund, an internal service fund, had a deficit of \$695,412. These deficits will be funded by future transfers, grants or permanent financing.

## **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 does 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. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. 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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$23,655,498 of the Town's bank balance of \$29,292,141 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,164,081
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name, and amounts held by third party banks in the Town's name	<u>12,491,417</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 23,655,498</u>

## Cash Equivalents

At June 30, 2009, the Town's cash equivalents amounted to \$9,418,156. 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>	<u>Fitch Ratings</u>
State Tax Exempt Proceeds Fund*		
State Short-Term Investment Fund (STIF)	AAAm	
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)		AAA

\*Not rated

## Investments

As of June 30, 2009, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
U.S. Treasury bonds	N/A	\$ 349,487	\$	\$ 349,461	\$ 26
Other debt securities	AAA	7,488,751		4,315,039	3,173,712
Corporate bonds	A-AAA	3,794,708	289,504	3,145,789	359,415
Corporate bonds	Not Rated	5,310		5,310	
Total		11,638,256	\$ 289,504	\$ 7,815,599	\$ 3,533,153
Other investments:					
Common stock		13,711			
Repurchase agreements		1,750,000			
Police Pension Fund and Volunteer Firemen Pension:					
Open ended mutual funds and exchange traded funds		6,125,746			
Total Investments		\$ 19,527,713			

\*Subject to coverage by Federal Depository Insurance and collateralization.

N/A Not applicable

*Interest Rate Risk* - The Town does not have a formal investment policy, over pension investments, that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's policy over non pension investments limits the dollar-weighted average portfolio maturity to one year, and it limits individual maturities to 5 years.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk* - The Town's investment policy does not allow for an investment in any one private corporation debt 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, 2009, the Town had uninsured and unregistered securities held by the counterparty, or by its trust department or agent valued at \$11,651,967 that were not in the Town's name.

#### 4. RECEIVABLES

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

	<u>General</u>	<u>Sewer Assessments</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 913,979	\$	\$	\$ 913,979
Taxes	2,444,117			2,444,117
Accounts	413,611		71,471	485,082
Special assessments		925,119	530,279	1,455,398
Intergovernmental	3,768,064		616,787	4,384,851
Loans			626,546	626,546
Gross receivables	<u>7,539,771</u>	<u>925,119</u>	<u>1,845,083</u>	<u>10,309,973</u>
Less allowance for uncollectibles	<u>(513,617)</u>			<u>(513,617)</u>
Net Total Receivables	<u>\$ 7,026,154</u>	<u>\$ 925,119</u>	<u>\$ 1,845,083</u>	<u>\$ 9,796,356</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	\$ 1,601,950	\$
Accrued interest	917,126	
Special assessments not yet due	1,062,609	
Grant drawdowns and unearned fees		527,648
School building grants	3,768,064	
Housing loans	626,546	
Advance tax collections and over collections		4,640,476
Fees received in advance		<u>636,807</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 7,976,295</u>	<u>\$ 5,804,931</u>



## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 12,864,169	\$ 23,700	\$	\$	\$ 12,887,869
Construction in progress	<u>3,802,846</u>	<u>710,886</u>	<u>(3,423,236)</u>		<u>1,090,496</u>
Total capital assets not being depreciated	<u>16,667,015</u>	<u>734,586</u>	<u>(3,423,236)</u>	<u>-</u>	<u>13,978,365</u>
Capital assets being depreciated:					
Buildings and improvements	99,933,156	219,206	2,058,636		102,210,998
Improvements other than buildings	1,356,595	125,563			1,482,158
Machinery and equipment	20,056,577	762,231	1,364,600	(226,000)	21,957,408
Infrastructure	<u>83,967,221</u>	<u>529,884</u>	<u>3,423,236</u>	<u>(293,243)</u>	<u>84,203,862</u>
Total capital assets being depreciated	<u>205,313,549</u>	<u>1,636,884</u>	<u>3,423,236</u>	<u>(519,243)</u>	<u>209,854,426</u>
Less accumulated depreciation for:					
Buildings and improvements	24,482,415	2,048,444			26,530,859
Improvements other than buildings	545,902	58,124			604,026
Machinery and equipment	11,522,351	1,140,587		(209,200)	12,453,738
Infrastructure	<u>51,902,764</u>	<u>1,550,984</u>		<u>(219,932)</u>	<u>53,233,816</u>
Total accumulated depreciation	<u>88,453,432</u>	<u>4,798,139</u>	<u>-</u>	<u>(429,132)</u>	<u>92,822,439</u>
Total capital assets being depreciated, net	<u>116,860,117</u>	<u>(3,161,255)</u>	<u>3,423,236</u>	<u>(90,111)</u>	<u>117,031,987</u>
Governmental Activities Capital Assets, Net	<u>\$ 133,527,132</u>	<u>\$ (2,426,669)</u>	<u>\$ -</u>	<u>\$ (90,111)</u>	<u>\$ 131,010,352</u>

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

Governmental activities:	
General government	\$ 134,190
Public safety	433,309
Public works	2,734,926
Parks, recreation and libraries	53,962
Health and welfare	33,449
Education	<u>1,408,303</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,798,139</u>

## Construction Commitments

The Town has active construction projects as of June 30, 2009. The projects include the following:

<u>Project</u>	<u>Appropriation</u>	<u>Cumulative Expenditures</u>	<u>Encumbrances</u>	<u>Available Balance</u>
High School Renovations	\$ 26,577,000	\$ 26,563,828	\$	\$ 13,172
Trolley Trail	51,329	49,402		1,927
Ambulance Fund	724,541	647,177		77,364
Fire Apparatus Fund	2,233,022	1,700,257		532,765
Town Hall Renovation	3,615,000	3,613,024		1,976
Tabor Drive Acquisition	5,550,000	5,148,101	41,015	360,884
EPA Consent Decree	9,520,000	9,328,859	32,398	158,743
School Roofs	500,000	485,103		14,897
Branford High School Track	400,000	369,199		30,801
Queach Property Acquisition	3,795,000	3,795,000		-
DPW Apparatus	510,000	344,384		165,616
2006 Capital Projects	2,591,951	2,505,131	3,624	83,196
2007 Capital Projects	3,098,200	2,789,268	31,950	276,982
2008 Capital Projects	2,975,774	2,629,159	112,231	234,384
2009 Capital Projects	2,824,820	2,239,231	78,768	506,821
Blackstone Library Exterior Renovations	1,095,000	930,897		164,103
WIS Roof and Window Replacement	2,100,000	617,074		1,482,926
BOE TriGeneration Project	1,021,600	1,021,600		-

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2009 are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
Capital Project Fund	Nonmajor Governmental Funds	\$ 1,945
Internal Service Fund	General Fund	235,000
Capital Project Fund	General Fund	4,662,384
General Fund	Nonmajor Governmental Funds	109,686
General Fund	Capital Project Fund	2,930,000
Nonmajor Governmental Funds	General Fund	406,875
Total		<u>\$ 8,345,890</u>

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances.

Interfund transfers:

	<u>Transfers In</u>			<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 3,396,390	\$ 1,803,879	\$ 5,200,269
Nonmajor Governmental	383,250	420,000		803,250
Capital Projects			235,000	235,000
	<u>383,250</u>	<u>3,816,390</u>	<u>2,038,879</u>	<u>6,238,519</u>
Total Transfers In	\$	\$	\$	\$

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

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 24,795,000	\$ 11,395,000	\$ 14,740,000	\$ 21,450,000	\$ 2,994,000
Clean water notes	21,059,224	2,500,898	1,400,866	22,159,256	1,374,875
Less deferred amount refunding bonds	<u>(309,631)</u>	<u>(130,000)</u>	<u>(321,449)</u>	<u>(118,182)</u>	
Total bonds and notes payable	45,544,593	13,765,898	15,819,417	43,491,074	4,368,875
Landfill closure	1,308,000	48,300		1,356,300	136,217
Compensated absences	4,851,677	417,827		5,269,504	232,783
Risk management claims	1,585,196	181,633		1,766,829	652,404
Capital leases	<u>1,499,821</u>		<u>169,553</u>	<u>1,330,268</u>	<u>176,655</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 54,789,287</u>	<u>\$ 14,413,658</u>	<u>\$ 15,988,970</u>	<u>\$ 53,213,975</u>	<u>\$ 5,566,934</u>

A schedule of bonds and notes outstanding at June 30, 2009 is presented below:

	<b>Balance July 1, 2008</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance June 30, 2009</b>
<b>General Obligation:</b>				
School, 0.85-4.0%, mature in 2015	\$	\$ 5,840,000	\$	\$ 5,840,000
School, 5.9-7.9%, mature in 2009	204,000		204,000	-
School, 0.85-4.0%, mature in 2018		980,000		980,000
School, 4.0-5.0%, mature in 2019	5,527,000		1,623,000	3,904,000
School, 2.0-4.1%, mature in 2015	7,190,000		7,190,000	-
Public improvement, 5.9-7.9%, mature in 2009	115,000		115,000	-
Public improvement, 4.0-5.0%, mature in 2019	4,668,000		2,622,000	2,046,000
Public improvement, 3.375-5.0%, mature in 2022	3,225,000			3,225,000
Public improvement sewer, 0.85- 4.0% mature in 2018		1,963,000		1,963,000
<b>Special Assessment:</b>				
Sewer, 4.0-5.0%, mature in 2019	3,345,000		2,745,000	600,000
Sewer, 3.4-5.0%, mature in 2016	200,000		25,000	175,000
Sewer, 5.9-7.9%, mature in 2009	181,000		181,000	-
Sewer, 0.85-4.0%, mature in 2018		2,612,000		2,612,000
Water, 6.8-7.5%, mature in 2012	140,000		35,000	105,000
<b>Total Bonds</b>	<b>24,795,000</b>	<b>11,395,000</b>	<b>14,740,000</b>	<b>21,450,000</b>
State of Connecticut, CWF, 2%, mature in 2013	75,119		14,839	60,280
State of Connecticut, CWF, 2%, mature in 2019	744,642		66,120	678,522
State of Connecticut, CWF, 2%, mature in 2022	14,414,901		883,169	13,531,732
State of Connecticut, CWF, 2% mature in 2027	5,824,562		260,032	5,564,530
State of Connecticut, CWF, 2% mature in 2028		2,500,898	176,706	2,324,192
<b>Total Bonds and Notes</b>	<b>\$ 45,854,224</b>	<b>\$ 13,895,898</b>	<b>\$ 16,140,866</b>	<b>\$ 43,609,256</b>

The following is a summary of debt maturities for repayment of bonds and notes:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 4,368,875	\$ 1,316,698	\$ 5,685,573
2011	4,506,203	1,109,567	5,615,770
2012	4,544,081	959,136	5,503,217
2013	4,694,799	796,406	5,491,205
2014	4,780,004	627,443	5,407,447
2015-2019	13,075,322	1,578,344	14,653,666
2020-2024	6,161,155	401,478	6,562,633
2025-2028	<u>1,478,817</u>	<u>45,338</u>	<u>1,524,155</u>
Total	<u>\$ 43,609,256</u>	<u>\$ 6,834,410</u>	<u>\$ 50,443,666</u>

**Clean Water Fund Notes**

The Town is currently participating in a Capital Project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” The Town permanently financed \$2,500,898 of notes this year. The notes carry an interest rate of 2%.

**General Obligation Bonds and Notes**

All bonds and notes are classified as general obligations of the Town.

**Refundings**

On March 26, 2009, the Town issued \$11,395,000 in general obligation bonds, with an average interest rate of 3.24% to refund outstanding bonds with an average rate of 4.55%. The bonds refunded were as follows: \$5,205,000 of outstanding 2001 general obligation bonds, \$6,060,000 of outstanding 2004 general obligation bonds. The net proceeds of \$12,005,617 (after payment of \$133,685) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds have been removed from the statement of net assets. The transaction generated a cash flow savings of \$761,214 and a present value savings of \$685,072.

In prior years, and the current year, the Town defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Town’s financial statements. At June 30, 2009, \$5,205,000 of the defeased debt is outstanding.

**Bond Anticipation Notes**

The Town has outstanding bond anticipation notes of \$4,700,000 as of June 30, 2009. The notes carry an interest rate of 2.50% and mature on September 9, 2009.

**Bonds Authorized Unissued**

The Town had bonds authorized unissued for various projects as follows:

<u>Project</u>	<u>Authorization</u>	<u>Bonds Previously Issued and Paydowns</u>	<u>Bonds Authorized Unissued</u>
Fire Headquarters	\$ 425,000	\$	\$ 425,000
Tabor Drive	5,550,000	2,500,000	3,050,000
Queach Property	3,795,000	2,040,000	1,755,000
Blackstone library	1,095,000	600,000	495,000
WIS roof and windows	2,100,000		2,100,000

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

<u>Category</u>	<u>(In Thousands)</u>		
	<u>Debt Limit</u>	<u>Indebtedness*</u>	<u>Balance</u>
General purpose	\$ 175,784	\$ 12,534	\$ 163,250
Schools	351,567	6,956**	344,611
Sewers	292,973	25,546	267,427
Urban renewal	253,910		253,910
Pension deficit	234,378		234,378

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$546,882.

\* Includes bonds authorized unissued (\$5,300) and excludes water bonds outstanding of \$105.

\*\* Total school indebtedness has been reduced by State of Connecticut Building Grants commitments of \$3,768.

**Capital Leases**

The Town has entered into multi-year capital leases for the purchase of equipment. Principal payments for 2009 were \$169,553. The following is a summary of capital lease commitments as of June 30, 2009.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2010	\$ 228,987
2011	228,988
2012	228,988
2013	228,987
2014	228,988
2015-2018	<u>396,013</u>
Total minimum lease payments	1,540,951
Less amount representing interest	<u>(210,683)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,330,268</u>

## 8. RISK MANAGEMENT

The Town is exposed to various risks of loss related including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but, as of July 1, 2000, has chosen to retain the risks for workers' compensation claims. The Town's claims for risks covered by insurance have not exceeded covered losses during the past three years.

The Workers' Compensation Internal Service Fund is utilized to report the self-insurance activity. Workers Compensated Trust Services administers the plan, for which the Town pays a fee. The Town's general government and the Board of Education, contribute based on estimates using historical data. The Town covers all claims up to \$500,000 per employee per year with a stop-loss policy covering amounts exceeding the limit.

The claims liability of \$639,726 reported in the Internal Service Fund at June 30, 2009 is based on the Government Accounting Standards Board Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows for the last two years:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2008-09	\$ 738,231	\$ 524,070	\$ 622,575	\$ 639,726
2007-08	653,033	1,103,062	1,017,864	738,231

The Heart and Hypertension Fund was established to account for the self insured activities of the Town related to heart and hypertension claims. The claims liability of \$959,517 at June 30, 2009 is based on the Government Accounting Standards Board Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability are as follows:

		<b>Liability</b>	<b>Current Year</b>	<b>Claim</b>	<b>Liability</b>			
		<b>July 1,</b>	<b>Claims</b>	<b>Payments</b>	<b>June 30,</b>			
		<b>and</b>	<b>and Changes</b>		<b>and</b>			
		<b>Estimates</b>	<b>in Estimates</b>		<b>Estimates</b>			
		<b>July 1,</b>	<b>and Changes</b>	<b>Claim</b>	<b>Liability</b>			
		<b>July 1,</b>	<b>and Changes</b>	<b>Payments</b>	<b>June 30,</b>			
		<b>July 1,</b>	<b>and Changes</b>	<b>Payments</b>	<b>June 30,</b>			
2008-09	\$	757,829	\$	460,023	\$	258,335	\$	959,517
2007-08		200,567		795,857		238,595		757,829

The Town created the Medical Self-Insurance Fund at the end of 2006. The fund will be used to pay claims for prescription drug costs and dental benefits. The claims liability of \$167,586 at June 30, 2009 is based on the Government Accounting Standards Board Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability are as follows:

		<b>Liability</b>	<b>Current Year</b>	<b>Claim</b>	<b>Liability</b>			
		<b>July 1,</b>	<b>Claims</b>	<b>Payments</b>	<b>June 30,</b>			
		<b>and</b>	<b>and Changes</b>		<b>and</b>			
		<b>Estimates</b>	<b>in Estimates</b>		<b>Estimates</b>			
		<b>July 1,</b>	<b>and Changes</b>	<b>Claim</b>	<b>Liability</b>			
		<b>July 1,</b>	<b>and Changes</b>	<b>Payments</b>	<b>June 30,</b>			
		<b>July 1,</b>	<b>and Changes</b>	<b>Payments</b>	<b>June 30,</b>			
2008-09	\$	89,136	\$	934,246	\$	855,796	\$	167,586
2007-08		47,489		1,671,691		1,630,044		89,136

## 9. BULKY WASTE LANDFILL

The Town Landfill at the intersection of Tabor Drive and Marshall Road no longer accepts municipal solid waste, yet continues to accept bulky waste from the town transfer station, and serves as a Department of Environmental Protection (DEP)-approved site for placement of soils with certain contaminants.

State and Federal laws and regulations require the Town of Branford to place final cover on the landfill, and each year the Town appropriates funds for the placement of final cover on completed sections. In the 2008/2009 fiscal year no additional area was capped. Approximately \$14,000 (numbers throughout the note are rounded) was expended for providing base material for grading; \$4,100 was expended for initial engineering work for a capping project of approximately one acre scheduled to take place in fiscal 2009/2010; and \$44,500 was encumbered but not yet spent toward engineering for the same project. The only unclosed section is the working face on the front (north) slope where filling is currently occurring. Approximately 90% of the total area of the landform has had final cover applied.

The Town received a \$400,000 grant from the DEP to cap the top of the landfill, which has all been expended and reimbursed as described in previous audit notes. It is anticipated that the placement of bulky waste will continue at the front of the landfill until the summer of 2011, with closure costs incurred in fiscal 2011/2012. Annual appropriations will continue to be placed in a special revenue fund for the final cover for this front section when it no longer receives waste. The balance of this account is currently \$278,100 including encumbrances. Based upon Town estimates, it is anticipated that future closure costs will be \$303,300 not including post-closure costs. Improvements to stormwater quality, such as construction of a small wetland, might be required as part of closure activities, and is not counted in the above estimate. The Town is required to monitor and maintain the landfill for thirty years after closure. The estimated annual cost for this postclosure activity is \$35,100. These costs will be funded through the General Fund on an annual basis. Regulatory changes or acceleration of the schedule for closure of the landfill may require additional appropriations for the accelerated completion of the installation of final cover.



A 77 acre parcel located north of the active landfill was purchased by the Town through eminent domain in 2004. It overlays a portion of, and may be impacted by, the leachate plume originating from the landfill. Since houses had been proposed by a developer on this site, the Town took the proactive stance of purchasing the property to preclude incompatible development, since control of the plume and of any off-site gas migration is required. Environmental investigations and mitigation have begun on this property, with funds for the project on this adjoining acreage provided by bond proceeds which are separately addressed, but not totaled in past or future closure costs below. Environmental investigations on this large parcel are not confined to the area presumed to be impacted by the landfill, so only costs directly attributable to mitigation of landfill impacts have been mentioned in past notes. No money was spent in fiscal 2008/2009 on this sort of environmental mitigation. Site investigations for a possible public works complex on this parcel are not addressed in this note. Legal challenges are pending. Routine quarterly testing of wells on this parcel are now included in operating costs and in future monitoring costs.

**Summary of Estimated Total Cost of Remaining Closure and Postclosure Care**

Final Cover Cost (\$101,000 x 3 fiscal years)	\$ 303,000
Postclosure Care Costs (30 years):	
Inspection and Maintenance of Final Cover (\$15,400 annually)	462,000
Monitoring Program, Groundwater, Methane & Stormwater (\$19,710 annually)	<u>591,300</u>
 Total	 <u><u>\$ 1,356,300</u></u>

**10. JOINT VENTURES**

**Bristol Resource Recovery Facility Operating Committee**

The Town is a participant with 13 other cities and towns in a joint venture, the Bristol Resource Recovery Facility Operating Committee (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of contracting municipalities in dealing with the waste to energy plant built by Ogden Martin Systems of Bristol, Inc. (now Covanta Bristol, Inc.). The governing board consists of Town officials appointed by each of the participating municipalities, and assumes all the management decisions. The Town of Branford has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the Intercommunity Agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements. The Town expenditures to the BRRFOC amounted to \$836,490 this year. General Fund unreserved, undesignated fund balance for fiscal year ended June 30, 2008 as reflected in the BRRFOC's financial statements is \$13.1 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

Under the Service Agreement, the service fee is an obligation of the Contracting Municipalities to which each has pledged its full faith and credit. Should any Contracting Municipality default in its obligation to pay the service fee, the other Contracting Municipalities shall have an obligation to continue to pay the aggregate service fee. If the Company does not perform its obligations under the service agreement, and Ogden Corporation (now Covanta Bristol, Inc.) fails to perform such obligations pursuant to its guarantee, the Contracting Municipalities have certain rights to terminate the service agreement and, upon termination, would no longer be obligated to pay the service fee.

By special legislation enacted in 2001, Special Act No. 01-10, *An Act to Permit the Bristol Resource Recovery Facility Operating Committee to Finance Projects and Refund Previously Issued Bonds*, the Committee is permitted to finance projects including additions, renovations or improvements to the Facility, recycling facility and similar activities required to provide solid waste and recycling services to the Contracting Communities. The total amount of bonds issued by the Committee and outstanding at any time cannot exceed \$100,000,000.

## 11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

### Police Employees Retirement Plan

#### A. Plan Description

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its police officers. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund.

The Town provides police retirement benefits through a single employer, contributory, defined benefit plan. Under the plan, all regular members of the Police Department are eligible. Participants are 100% vested after five years of service. The retirement benefit is calculated at 2% of the highest annual salary out of the last three years immediately prior to retirement multiplied by up to 33 1/3 years of service. Police officers are required to contribute 6% of their base salaries to the PERS. The Plan provides for automatic post-retirement increases on Retiree Pensions up to a maximum of 66 2/3% of pay. If an employee leaves covered employment before five years of service, accumulated employee contributions and related investment earnings are refunded. Benefits and contributions are established by the Town and may be amended only by the Representative Town Meeting.

At July 1, 2007 (date of latest valuation), PERS membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	4
Active plan members	<u>48</u>
Total	<u>82</u>

#### B. Summary of Significant Accounting Policies and Plan Asset Matters

**Basis of Accounting:** PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

**Method Used to Value Investments:** Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchange of investments are recognized on the transaction date. There are no investments in any organization that represent 5% or more of net assets available for benefits.

#### C. Funding Status and Progress

Police officers are required to contribute 6% of base pay to the PERS. The Town is required to contribute the amounts necessary to finance the coverage for its employees as determined by its actuaries; the contribution rate for the current year was 21.9% of covered payroll.

A change was made in the most recent valuation to reduce the investment rate of return assumption from 7.75% to 7.5%. The effect of this change was to increase the current annual cost by approximately \$57,000.

**D. Annual Pension Cost and Net Pension Obligations**

The Town’s annual pension cost and net pension obligation to the Town’s Retirement System for the current year were as follows:

Annual required contribution	\$ 773,105
Interest on net pension obligation	(11,742)
Adjustment to annual required contribution	<u>13,256</u>
Annual pension cost	774,619
Contributions made	<u>806,769</u>
Increase (decrease) in net pension obligation	(32,150)
Net pension asset at beginning of year	<u>(156,556)</u>
Net Pension Asset at End of Year	<u>\$ (188,706)</u>

The following is a summary of certain significant actuarial assumptions and other PERS information:

Actuarial valuation date	July 1, 2007
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	24 years closed
Asset valuation method	5 years smoothed asset value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.0%
Assumed inflation rate	4.0%

**E. Trend Information**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>	<u>Actual Contribution</u>
6/30/07	\$ 725,444	108.2%	\$ (135,881)	\$ 784,950
6/30/08	782,285	102.6	(156,556)	802,960
6/30/09	774,619	104.2	(188,706)	806,769

## Pension Plan Required Supplementary Information

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) --Entry Age (b)	(Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/01/03	\$ 9,593,076	\$ 12,551,982	\$ (2,958,906)	76.4%	\$ 2,827,161	\$ 104.7
7/01/05	11,206,696	15,525,603	(4,318,907)	72.2	3,353,416	128.8
7/01/07	14,044,381	18,061,498	(4,017,117)	77.8	3,506,416	114.6

### Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/04	\$ 490,583	359.7%
6/30/05	502,901	134.2
6/30/06	707,592	95.3
6/30/07	724,950	108.2
6/30/08	781,134	102.8
6/30/09	773,105	104.4

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

## Municipal Employees' Retirement System

All Town of Branford full-time employees, except the Police Department employees, elected officials and certified teachers and administrators, participate in the Connecticut Municipal Employee's Retirement Fund B (MERF), 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 retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF 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 or by calling 860-702-3480.

*Funding Policy* - Plan members 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 at an actuarially determined rate. The current rate is 7.58% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERF for the years ended June 30, 2009, 2008 and 2007 were \$1,153,600, \$1,107,502 and \$1,006,879, respectively, equal to the required contributions for each year.

## Teacher Retirement

All Town teachers participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut which has 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 \$22,402,280.

The retirement system for teachers is funded by the State of Connecticut based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2009, the Town has recorded in the General Fund intergovernmental revenue and education expenditures in the amount of \$3,494,626 as payments made by the State of Connecticut on behalf of the Town. The State of Connecticut decreased its contribution substantially this year (\$12.5 million).

The State of Connecticut Teacher 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.

## 12. OTHER POSTEMPLOYMENT BENEFITS

### Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Retire Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

#### A. Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing health and other benefits to certain eligible retirees and their spouses. The Retirement Benefit Program covers Town, Board of Education, Police and Fire employees. Retired program members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving those benefits under the Town's self-insured medical benefits program. The percentage contribution of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand alone financial statement for this program.

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

	<u>Post-Retirement Medical Program</u>
Retired members	94
Active plan members	<u>606</u>
Total Participants	<u><u>700</u></u>

## B. Funding Policy

The Town of Branford's funding and payment of postemployment benefits are accounted for in both the General Fund and in an Internal Service Fund on a pay-as-you-go basis. The Town has established a trust effective July 2009 to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town has transferred the assets accumulated in a special revenue fund to the trust fund and will gradually increase future contributions to provide for normal cost and the amortization of the accrued liability while maintaining a negative net OPEB obligation (asset).

The Town's funding strategy for postemployment obligations are based upon characteristics of benefits for the following groups of employees: Police, Fire, Other Municipal Employees, Board of Education certified and Board of Education non certified. A summary of the plan provisions is as follows:

- Eligibility for benefits for Police and Fire range from 10 to 25 years of service at time of retirement determined by union contract and date of hire.
- Medical benefits for Police and Fire range from 100% cost of coverage for the retiree and 50% coverage for their spouse until the employee's death, 100% coverage for retiree only depending on date of hire and union contract.
- The remaining employee groups are eligible pursuant to their bargaining unit and date of hire to purchase coverage for 100% of the cost set forth for active members within their bargaining unit.
- Life insurance benefits are not offered.

## C. Annual OPEB Cost and Net OPEB Obligations

The Town of Branford'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>Retiree Benefit Program</b>
Annual required contribution (ARC)	\$ 1,818,900
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	1,818,900
Contributions made	3,968,100
	<hr/>
Increase in net OPEB Asset	(2,149,200)
Net OPEB Asset, beginning of year	-
	<hr/>
Net OPEB Asset, End of Year	\$ <u>(2,149,200)</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 year ended June 30, 2009 is presented below. Data is only presented for the fiscal year ended June 30, 2009, due to this being the year of transition.

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Asset</b>
6/30/09	\$ 1,818,900	\$ 3,968,100	218.16%	\$ 2,149,200

As of July 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$16,496,800, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$16,496,800. The covered payroll (annual payroll of active employees covered by the plan) was \$41,807,100.

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. 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, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.75% investment rate of return assuming a trust fund will be established, 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 varies by age and between the various groups and ranges from 0% to 4.2%. The general inflation assumption is 10% for 2008, declining 1% per year until 2013, where it is carried at 5% for 2013 and future years. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2008 was 30 years.

### 13. LITIGATION

The Town of Branford, its officers, employees, boards and commissions are defendants in various lawsuits. Following consultation with the Town Attorney and other attorneys advising the Town, Town officials are 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.

In a series of five (5) cases, Thomas Santa Barbara, Frank Perrotti, Jr. and New England Estates, L.L.C. allege that the Town acted improperly in exercising its eminent domain powers to acquire a parcel known as the Tabor property in Branford. On August 3, 2007, a judge of the Connecticut Superior Court rendered a decision in the valuation case fixing the property's value at \$4,600,000. Branford had deposited \$1,167,800 leaving an additional exposure of \$3,432,200. Subsequently, in the civil rights case a jury awarded \$12,775,914 and the trial judge awarded attorney's fees of \$1,764,566. The total of the awards is \$17,972,680. Branford has appealed these awards and they are presently pending and awaiting argument in the Connecticut Supreme Court.

In addition to these sums, Messers Santa Barbara and Perrotti and New England Estates, L.L.C. claim additional interest and costs. Branford has appealed these awards. The appeals were argued on May 29, 2009 and the Town is awaiting decision by the Connecticut Supreme Court.

Branford is vigorously contesting the awards. If Branford's appeals are unsuccessful, the Town expects to authorize and issue bonds to finance any judgment.

#### **14. SUBSEQUENT EVENTS**

The Town issued \$6,455,000 of bond anticipation notes dated September 9, 2009 for various projects. The bonds bear an interest rate of 2% and mature on September 8, 2010.



## TOWN OF BRANFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Taxes:				
Current Taxes	\$ 75,455,147	\$ 75,455,147	\$ 76,057,882	\$ 602,735
Interest Income	510,000	510,000	506,987	(3,013)
Lien Fees	11,000	11,000	15,209	4,209
Suspense Collect	18,000	18,000	45,399	27,399
Delinquent Taxes	545,844	545,844	764,597	218,753
Attorney Fees			6,389	6,389
Total taxes	<u>76,539,991</u>	<u>76,539,991</u>	<u>77,396,463</u>	<u>856,472</u>
Intergovernmental Revenues:				
Education Cost Sharing	1,759,095	1,759,095	1,766,972	7,877
School Transportation	212,589	212,589	212,901	312
Health and Welfare	31,373	31,373	41,621	10,248
Principal Subsidy	432,822	432,822	709,129	276,307
Interest Subsidy	117,265	117,265	171,960	54,695
Adult Education	21,985	21,985		(21,985)
Circuit Breaker Elderly	205,000	205,000	197,285	(7,715)
Elderly Tax Relief - Freeze	11,000	11,000	12,000	1,000
Boat Exemption	98,245	98,245	98,245	-
Disability Exemption	2,300	2,300	2,795	495
Veterans' Reimbursement	26,000	26,000	29,834	3,834
Manufacturing PILOT Grant	300,000	300,000	334,636	34,636
Pequot Grant	111,945	111,945	110,730	(1,215)
Private Property Exemption	121,280	121,280	121,253	(27)
State Property Exemption	68,633	68,633	68,864	231
State Counseling Grants	121,000	121,000	122,413	1,413
Miscellaneous State Grants	1,296	42,821	43,079	258
COPS Fast	41,667	41,667		(41,667)
Universal Hiring Grant	25,000	25,000		(25,000)
Wildlife Refuge	10,077	10,077	2,424	(7,653)
Total intergovernmental revenues	<u>3,718,572</u>	<u>3,760,097</u>	<u>4,046,141</u>	<u>286,044</u>

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## TOWN OF BRANFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Licenses, Permits and Fees:				
Building Permits	\$ 426,790	\$ 426,790	\$ 559,996	\$ 133,206
Excavation Permits			8,535	8,535
Sewer Connection Permits	150	150	132	(18)
Other Licenses and Permits	100	100	125	25
Zoning Board of Appeals	6,500	6,500	3,645	(2,855)
Planning and Zoning	20,000	20,000	14,446	(5,554)
Map Copies - Building and Engineering	1,228	1,228	778	(450)
Inland Wetlands Applications	9,719	9,719	12,865	3,146
Inland Wetlands Citations	3,000	3,000	6,961	3,961
Transfer Station Escrow	49,000	49,000	68,416	19,416
Sale of Recycling Boxes			20	20
Trip Passes	2,400	2,400	2,684	284
Sticker Revenue			13,985	13,985
Permits and Tags - Police	9,960	9,960	20,430	10,470
Special Wages - Police	400,000	400,000	395,345	(4,655)
False Alarm Fees	11,000	11,000	6,850	(4,150)
Pump Out Services			6,050	6,050
Town Clerk Other Monies	290,000	290,000	263,004	(26,996)
Conveyance Taxes	425,000	425,000	312,505	(112,495)
DEP Licenses - Town Portion	600	600	696	96
Marriage Licenses - Town Portion	2,100	2,100	2,043	(57)
Dog Licenses	5,500	5,500	4,505	(995)
Ambulance Service Fees	1,200,000	1,200,000	1,371,148	171,148
Fire Services			1,910	1,910
Counseling Fees and Services	400,000	400,000	368,095	(31,905)
Counseling - United Way Contribution	20,000	20,000	125	(19,875)
Total licenses, permits and fees	<u>3,283,047</u>	<u>3,283,047</u>	<u>3,445,294</u>	<u>162,247</u>

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## TOWN OF BRANFORD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Interest Income	\$ 775,880	\$ 775,880	\$ 965,832	\$ 189,952
Other:				
Willoughby - Wallace Library Fees	5,000	5,000	6,482	1,482
Willoughby - Passport Fees	9,000	9,000	5,805	(3,195)
Notary Fees			100	100
Employee Health Insurance Co-pay	360,000	360,000	347,178	(12,822)
In Lieu of Taxes - Telephone Access	190,000	190,000	150,378	(39,622)
In Lieu of Taxes - SCRW	180,000	180,000	197,877	17,877
Leases	4,000	4,000	5,008	1,008
Telephone Booths	200	200		(200)
Insurance Claims and Refunds	10,000	10,000	63,577	53,577
Miscellaneous Refunds			73,532	73,532
Miscellaneous Income	10,000	10,000	138,521	128,521
Sale of Town Property	145,400	145,400	157,402	12,002
Reimbursement Town Services			3,306	3,306
Board of Education - Tuition Reimbursement			11,020	11,020
COBRA/Dental Reimbursement			1,911	1,911
Total other	<u>913,600</u>	<u>913,600</u>	<u>1,162,097</u>	<u>248,497</u>
Total revenues	85,231,090	85,272,615	87,015,827	1,743,212
Other Financing Sources:				
Transfers in	<u>383,250</u>	<u>383,250</u>	<u>383,250</u>	<u>-</u>
Total Revenue and Other Financing Sources	\$ <u>85,614,340</u>	\$ <u>85,655,865</u>	87,399,077	\$ <u>1,743,212</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			3,494,626	
Under liquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.			(53,441)	
The Town does not budget for debt refunding transactions which resulted in an increase in GAAP revenues for proceeds from bond issuance.			11,395,000	
The Board of Education does not budget for certain intergovernmental grants which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.			<u>733,372</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV				\$ <u>102,968,634</u>

## TOWN OF BRANFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
General Government:				
Legislative	\$ 18,654	\$ 18,654	\$ 15,466	\$ 3,188
Executive	346,765	346,765	303,998	42,767
Finance	70,383	70,383	62,502	7,881
Treasurer	360,539	373,835	367,517	6,318
Assessor	368,290	384,374	367,262	17,112
Review of Assessment	9,801	9,801	6,979	2,822
Tax Collector	313,591	704,927	639,193	65,734
Town Clerk	198,644	214,072	209,814	4,258
Law	470,000	630,441	610,739	19,702
Labor Relations Negotiations	80,000	80,000	64,959	15,041
Probate Court	9,200	9,200	5,836	3,364
Elections	100,925	111,125	107,904	3,221
Planning and Zoning	265,642	269,263	262,438	6,825
Zoning Board of Appeals	8,368	8,368	6,116	2,252
Development Commission	13,570	13,570	13,203	367
Inland Wetlands Commission	82,087	96,751	92,218	4,533
General Government Buildings	777,399	802,132	663,325	138,807
Cable Television	4,950	4,950	3,579	1,371
Electronic Data Processing	563,816	563,816	554,800	9,016
Human Resources	227,724	220,224	215,434	4,790
Total	<u>4,290,348</u>	<u>4,932,651</u>	<u>4,573,282</u>	<u>359,369</u>
Public Safety:				
Police Service	4,817,201	4,823,979	4,785,944	38,035
Police Service - Special Detail	400,000	400,000	368,558	31,442
Fire Protection	3,757,014	3,817,017	3,816,952	65
Building Department	152,238	152,238	141,220	11,018
Total	<u>9,126,453</u>	<u>9,193,234</u>	<u>9,112,674</u>	<u>80,560</u>
Public Works and Highways:				
Public Works	2,015,688	2,108,628	1,984,107	124,521
Sanitation and Waste	2,895,683	2,937,922	2,750,039	187,883
General Engineering	236,175	248,739	237,555	11,184
Total	<u>5,147,546</u>	<u>5,295,289</u>	<u>4,971,701</u>	<u>323,588</u>

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## TOWN OF BRANFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Recreation:				
Branford Recreation Department	\$ 770,513	\$ 792,512	\$ 772,646	\$ 19,866
Parker Park	64,851	64,851	59,495	5,356
Young's Park Commission	8,242	8,242	8,242	-
Docks and Recreational Facilities	13,612	13,612	8,135	5,477
Public Celebration	29,262	29,262	26,675	2,587
Conservation Commission	6,305	6,305	6,160	145
Total	<u>892,785</u>	<u>914,784</u>	<u>881,353</u>	<u>33,431</u>
Libraries:				
James Blackstone Memorial Library	1,011,200	1,011,200	1,011,200	-
Willoughby-Wallace Library	202,327	202,327	199,414	2,913
Total	<u>1,213,527</u>	<u>1,213,527</u>	<u>1,210,614</u>	<u>2,913</u>
Health and Welfare:				
Human Services	1,110,044	1,110,044	1,065,392	44,652
Commission for the Elderly	336,981	336,981	307,779	29,202
East Shore District Health	188,195	188,195	187,689	506
Total	<u>1,635,220</u>	<u>1,635,220</u>	<u>1,560,860</u>	<u>74,360</u>
Board of Education	<u>45,772,707</u>	<u>45,814,232</u>	<u>45,374,426</u>	<u>439,806</u>
Pension and Insurance:				
Pension and Contributions	2,704,934	2,699,350	2,587,578	111,772
Employee Group Insurance	3,700,216	3,598,667	3,197,272	401,395
Municipal Insurance	1,698,452	1,658,452	1,656,460	1,992
Contingency	1,047,958	150,641		150,641
Total	<u>9,151,560</u>	<u>8,107,110</u>	<u>7,441,310</u>	<u>665,800</u>
Debt Service:				
Principal Retirement	4,665,385	4,665,385	4,554,988	110,397
Interest and Fiscal Charges	1,693,304	1,662,494	1,001,466	661,028
Total	<u>6,358,689</u>	<u>6,327,879</u>	<u>5,556,454</u>	<u>771,425</u>
Total expenditures	<u>83,588,835</u>	<u>83,433,926</u>	<u>80,682,674</u>	<u>2,751,252</u>

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## TOWN OF BRANFORD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other Financing Uses:				
Transfers to Other Funds:				
Special Revenue Fund:				
Animal Control Fund	\$ 116,704	\$ 116,704	\$ 116,704	\$ -
Retiree Benefit Fund	650,000	650,000	650,000	-
Open Space Fund	30,300	30,300	30,300	-
Special Programs Fund	50,000	406,875	406,875	-
Revaluation Fund	235,000	235,000	235,000	-
Sewer Utility Fund	600,000	600,000	600,000	-
Capital Projects Fund:				
Ambulance	75,000	75,000	75,000	-
EPA Consent Decree	175,000	175,000	175,000	-
School Roof	135,000	135,000	135,000	-
Tabor Drive Land Acquisition	490,000	490,000	490,000	-
Fire Apparatus	150,000	150,000	150,000	-
DPW Apparatus	145,000	145,000	145,000	-
Capital Procurement Fund	1,960,390	1,991,390	1,991,390	-
Total other financing uses	<u>4,812,394</u>	<u>5,200,269</u>	<u>5,200,269</u>	<u>-</u>
Total Budgeted Operations	\$ <u>88,401,229</u>	\$ <u>88,634,195</u>	85,882,943	\$ <u>2,751,252</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			3,494,626	
The Town does not budget for debt refunding transactions which resulted in an increase in GAAP expenditures for payments made to escrow agents.			12,005,617	
The Board of Education does not budget for certain intergovernmental grants which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.			733,372	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.			<u>(1,525)</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>102,115,033</u>	

## TOWN OF BRANFORD, CONNECTICUT

## GENERAL FUND

## COMPARATIVE BALANCE SHEET

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,549,768	\$ 19,976,547
Investments	5,955,428	4,967,168
Receivables:		
Taxes, net	1,930,500	1,720,017
Intergovernmental	3,768,064	4,477,192
Other	1,327,590	1,507,552
Due from other funds	3,039,686	272,388
Prepaid items	<u>23,159</u>	<u>28,339</u>
Total Assets	<u>\$ 36,594,195</u>	<u>\$ 32,949,203</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,033,653	\$ 1,997,395
Due to other funds	5,304,259	2,367,287
Deferred revenues	11,340,954	11,491,708
Other	<u>133,065</u>	<u>164,150</u>
Total liabilities	<u>18,811,931</u>	<u>16,020,540</u>
Fund balance:		
Reserved for encumbrances	360,229	412,166
Reserved for prepaid items	23,159	28,339
Unreserved:		
Designated for subsequent year budget	3,000,000	2,786,889
Undesignated - available for appropriation	<u>14,398,876</u>	<u>13,701,269</u>
Total fund balance	<u>17,782,264</u>	<u>16,928,663</u>
Total Liabilities and Fund Balance	<u>\$ 36,594,195</u>	<u>\$ 32,949,203</u>

TOWN OF BRANFORD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

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Grand List	Uncollected Taxes July 1, 2008	Lawful Corrections	Foreclosures and Adjustments	Transfers to Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2009
						Taxes	Interest	Liens	Total	
1993	\$ 8,783	\$ 1	\$	\$	\$ 8,784	\$ 539	\$ 47	\$ 24	\$ 610	\$ 8,245
1994	11,664	13			11,677	2,043	4,932	24	6,999	9,634
1995	12,321	7			12,328	2,126	2,240	24	4,390	10,202
1996	15,236				15,236	2,250	4,466	24	6,740	12,986
1997	17,569				17,569	2,191	4,140	24	6,355	15,378
1998	32,429	(24)			32,405	4,567	5,107	64	9,738	27,838
1999	26,084	(1,488)			24,596	5,084	5,889	96	11,069	19,512
2000	31,854				31,854	5,056	7,838	103	12,997	26,798
2001	36,649	(32)			36,617	5,098	5,699	48	10,845	31,519
2002	224,412	(3,570)		(130,796)	90,046	12,434	10,287	60	22,781	77,612
2003	278,529	(3,627)			274,902	16,202	12,706	150	29,058	258,700
2004	270,308	(3,792)			266,516	17,213	9,195	174	26,582	249,303
2005	351,054	19,544			370,598	100,182	29,041	900	130,123	270,416
2006	909,228	35,608			944,836	513,538	93,891	4,815	612,244	431,298
2007	77,230,956	(168,209)	(52,225)		77,010,522	76,057,882	230,249	8,595	76,296,726	952,640
	<u>\$ 79,457,076</u>	<u>\$ (125,569)</u>	<u>\$ (52,225)</u>	<u>\$ (130,796)</u>	<u>\$ 79,148,486</u>	76,746,405	425,727	15,125	77,187,257	<u>\$ 2,402,081</u>
			Suspense Collections			<u>45,399</u>	<u>81,260</u>	<u>84</u>	<u>126,743</u>	
			Total			<u>\$ 76,791,804</u>	<u>\$ 506,987</u>	<u>\$ 15,209</u>	<u>\$ 77,314,000</u>	



**TOWN OF BRANFORD, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**JUNE 30, 2009**

	Special Revenue							
	Board of Education							
	Revaluation	Open Space	Water Assessment	Program	Day Care	Educational Grants	Cafeteria	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 897,563	\$ 264,165	\$ 2,714	\$ 11,096	\$ 311,606	\$ 344,310	\$ 30,654	\$ 26,123
Investment								
Accounts receivable			28,841	2,174		17,654		
Intergovernmental						78,956	96,092	
Due from other funds				26,975				
Inventory							12,504	
<b>Total Assets</b>	<u>\$ 897,563</u>	<u>\$ 264,165</u>	<u>\$ 31,555</u>	<u>\$ 40,245</u>	<u>\$ 311,606</u>	<u>\$ 440,920</u>	<u>\$ 139,250</u>	<u>\$ 26,123</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 42,198	\$ 3,312	\$	\$ 30,389	\$ 2,365	\$ 208,986	\$ 91,017	\$
Due to other funds			4,787			26,975		
Deferred revenue			30,082					
<b>Total liabilities</b>	<u>42,198</u>	<u>3,312</u>	<u>34,869</u>	<u>30,389</u>	<u>2,365</u>	<u>235,961</u>	<u>91,017</u>	<u>-</u>
Fund Balance:								
Reserved:								
Inventory and commitments	322,589	251		1,921	4,310		12,504	
Permanent account								
Unreserved:								
Undesignated	532,776	260,602	(3,314)	7,935	304,931	204,959	35,729	26,123
<b>Total fund balance</b>	<u>855,365</u>	<u>260,853</u>	<u>(3,314)</u>	<u>9,856</u>	<u>309,241</u>	<u>204,959</u>	<u>48,233</u>	<u>26,123</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 897,563</u>	<u>\$ 264,165</u>	<u>\$ 31,555</u>	<u>\$ 40,245</u>	<u>\$ 311,606</u>	<u>\$ 440,920</u>	<u>\$ 139,250</u>	<u>\$ 26,123</u>

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**TOWN OF BRANFORD, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2009**

	<u>Special Revenue</u>							
	<u>Small Cities</u>	<u>Town Aid Road</u>	<u>Pass Through Grants</u>	<u>Park and Recreation</u>	<u>Special Programs</u>	<u>Retiree Benefit</u>	<u>Counseling Center</u>	<u>Willoughby Wallace Library</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 58,990	\$ 341,167	\$	\$ 737,548	\$ 711,166	\$	\$ 125,827	\$ 89,551
Investment								13,708
Accounts receivable	626,546				7,012			
Intergovernmental					315,595			
Due from other funds					356,875	50,000		
Inventory								
Total Assets	<u>\$ 685,536</u>	<u>\$ 341,167</u>	<u>\$ -</u>	<u>\$ 737,548</u>	<u>\$ 1,390,648</u>	<u>\$ 50,000</u>	<u>\$ 125,827</u>	<u>\$ 103,259</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 24,612	\$	\$	\$ 8,556	\$ 26,323	\$	\$ 4,401	\$ 972
Due to other funds		3		74,743	17,900		273	526
Deferred revenue	626,546	62,053		197,488	465,595			
Total liabilities	<u>651,158</u>	<u>62,056</u>	<u>-</u>	<u>280,787</u>	<u>509,818</u>	<u>-</u>	<u>4,674</u>	<u>1,498</u>
Fund Balance:								
Reserved:								
Inventory and commitments	19,501	8,815		9,939	60,793			
Permanent account								
Unreserved:								
Undesignated	14,877	270,296		446,822	820,037	50,000	121,153	101,761
Total fund balance	<u>34,378</u>	<u>279,111</u>	<u>-</u>	<u>456,761</u>	<u>880,830</u>	<u>50,000</u>	<u>121,153</u>	<u>101,761</u>
Total Liabilities and Fund Balance	<u>\$ 685,536</u>	<u>\$ 341,167</u>	<u>\$ -</u>	<u>\$ 737,548</u>	<u>\$ 1,390,648</u>	<u>\$ 50,000</u>	<u>\$ 125,827</u>	<u>\$ 103,259</u>

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**TOWN OF BRANFORD, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2009**

**Special Revenue**

	<u>Elderly Commission</u>	<u>Board of Education Severance</u>	<u>Dog</u>	<u>Foote</u>	<u>Summer Studies</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 409,167	\$ 60,744	\$ 108,880	\$	\$ 14,124	\$ 1,427,292	\$ 5,972,687
Investment							13,708
Accounts receivable			36,880			501,438	1,220,545
Intergovernmental						126,144	616,787
Due from other funds				15,000	11,939		460,789
Inventory							12,504
57 Total Assets	<u>\$ 409,167</u>	<u>\$ 60,744</u>	<u>\$ 145,760</u>	<u>\$ 15,000</u>	<u>\$ 26,063</u>	<u>\$ 2,054,874</u>	<u>\$ 8,297,020</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 25	\$	\$ 9,639	\$	\$ 195	\$ 83,775	\$ 536,765
Due to other funds			4,102	11,939		24,297	165,545
Deferred revenue					16,937	116,450	1,515,151
Total liabilities	<u>25</u>	<u>-</u>	<u>13,741</u>	<u>11,939</u>	<u>17,132</u>	<u>224,522</u>	<u>2,217,461</u>
Fund Balance:							
Reserved:							
Inventory and commitments			38,217			17,141	495,981
Permanent account							-
Unreserved:							
Undesignated	409,142	60,744	93,802	3,061	8,931	1,813,211	5,583,578
Total fund balance	<u>409,142</u>	<u>60,744</u>	<u>132,019</u>	<u>3,061</u>	<u>8,931</u>	<u>1,830,352</u>	<u>6,079,559</u>
Total Liabilities and Fund Balance	<u>\$ 409,167</u>	<u>\$ 60,744</u>	<u>\$ 145,760</u>	<u>\$ 15,000</u>	<u>\$ 26,063</u>	<u>\$ 2,054,874</u>	<u>\$ 8,297,020</u>

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**TOWN OF BRANFORD, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2009**

**Permanent Fund**

	<u>Damascus Cemetery</u>	<u>Leshine Scholarship</u>	<u>Caspar Block Scholarship</u>	<u>Gustaf Nelson Memorial</u>	<u>Caspar Block Special Recreation Grant</u>	<u>Total</u>	<u>Transfers/ Interfunds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ 5,447	\$ 5,372	\$ 38,852	\$ 72,439	\$ 122,110		\$ 6,094,797
Investment	104,303					104,303		118,011
Accounts receivable						-		1,220,545
Intergovernmental						-		616,787
Due from other funds		69				69	(53,983)	406,875
Inventory						-		12,504
58 Total Assets	<u>\$ 104,303</u>	<u>\$ 5,516</u>	<u>\$ 5,372</u>	<u>\$ 38,852</u>	<u>\$ 72,439</u>	<u>\$ 226,482</u>	<u>\$ (53,983)</u>	<u>\$ 8,469,519</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -					\$ -		\$ 536,765
Due to other funds	69					69	(53,983)	111,631
Deferred revenue						-		1,515,151
Total liabilities	<u>69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>(53,983)</u>	<u>2,163,547</u>
Fund Balance:								
Reserved:								
Inventory and commitments						-		495,981
Permanent account	1,500	4,000	5,000	30,000	59,920	100,420		100,420
Unreserved:								
Undesignated	102,734	1,516	372	8,852	12,519	125,993		5,709,571
Total fund balance	<u>104,234</u>	<u>5,516</u>	<u>5,372</u>	<u>38,852</u>	<u>72,439</u>	<u>226,413</u>	<u>-</u>	<u>6,305,972</u>
Total Liabilities and Fund Balance	<u>\$ 104,303</u>	<u>\$ 5,516</u>	<u>\$ 5,372</u>	<u>\$ 38,852</u>	<u>\$ 72,439</u>	<u>\$ 226,482</u>	<u>\$ (53,983)</u>	<u>\$ 8,469,519</u>

## TOWN OF BRANFORD, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue							
	Revaluation	Open Space	Water Assessment	Board of Education				
				Program	Day Care	Educational Grants	Cafeteria	Energy Efficiency
Revenues:								
Assessment income	\$	\$	\$ 6,635	\$	\$	\$	\$	\$
Interest on assessments			2,830					
Intergovernmental revenues						2,625,901	322,254	
Investment income	4,305	3,713	658	70	1,024		275	418
Sale of food							767,528	
Program income				72,608	459,144			
Sales and services							8,035	
Other		11,875	38					
Total revenues	<u>4,305</u>	<u>15,588</u>	<u>10,161</u>	<u>72,678</u>	<u>460,168</u>	<u>2,625,901</u>	<u>1,098,092</u>	<u>418</u>
Expenditures:								
Current:								
General government	380,167							
Public safety								
Public works and highway								
Parks, recreation and libraries		36,867						
Health and human services								
Education				70,896	421,650	2,487,286	1,095,706	
Pension and insurance								
Debt service			44,573					
Total expenditures	<u>380,167</u>	<u>36,867</u>	<u>44,573</u>	<u>70,896</u>	<u>421,650</u>	<u>2,487,286</u>	<u>1,095,706</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(375,862)	(21,279)	(34,412)	1,782	38,518	138,615	2,386	418
Other Financing Sources (Uses):								
Transfers in	235,000	30,300						
Transfers out								
Net Change in Fund Balances	(140,862)	9,021	(34,412)	1,782	38,518	138,615	2,386	418
Fund Balances at Beginning of Year	<u>996,227</u>	<u>251,832</u>	<u>31,098</u>	<u>8,074</u>	<u>270,723</u>	<u>66,344</u>	<u>45,847</u>	<u>25,705</u>
Fund Balances at End of Year	<u>\$ 855,365</u>	<u>\$ 260,853</u>	<u>\$ (3,314)</u>	<u>\$ 9,856</u>	<u>\$ 309,241</u>	<u>\$ 204,959</u>	<u>\$ 48,233</u>	<u>\$ 26,123</u>

(Continued on next page)

## TOWN OF BRANFORD, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

## Special Revenue

	<u>Small Cities</u>	<u>Town Aid Road</u>	<u>Pass Through Grants</u>	<u>Park and Recreation</u>	<u>Special Programs</u>	<u>Retiree Benefit</u>	<u>Counseling Center</u>	<u>Willoughby Wallace Library</u>
Revenues:								
Assessment income	\$	\$	\$	\$	\$	\$	\$	\$
Interest on assessments								
Intergovernmental revenues	162,827	276,310	334,415		262,346			8,183
Investment income	573	6,725		7,298	3,799	56,301	2,055	(1,279)
Sale of food								
Program income	12,792							
Sales and services				349,417	24,866			
Other				13,817	11,436		56,218	16,575
Total revenues	<u>176,192</u>	<u>283,035</u>	<u>334,415</u>	<u>370,532</u>	<u>302,447</u>	<u>56,301</u>	<u>58,273</u>	<u>23,479</u>
Expenditures:								
Current:								
General government					63,678			
Public safety					163,778			
Public works and highway		276,310			387,647			
Parks, recreation and libraries				327,869	13,029			28,698
Health and human services	113,233		334,415		128,175		66,607	
Education					6,769			
Pension and insurance						3,359,598		
Debt service								
Total expenditures	<u>113,233</u>	<u>276,310</u>	<u>334,415</u>	<u>327,869</u>	<u>763,076</u>	<u>3,359,598</u>	<u>66,607</u>	<u>28,698</u>
Excess (Deficiency) of Revenues over Expenditures	62,959	6,725	-	42,663	(460,629)	(3,303,297)	(8,334)	(5,219)
Other Financing Sources (Uses):								
Transfers in					406,875	650,000		
Transfers out								
Net Change in Fund Balances	62,959	6,725	-	42,663	(53,754)	(2,653,297)	(8,334)	(5,219)
Fund Balances at Beginning of Year	<u>(28,581)</u>	<u>272,386</u>	<u>-</u>	<u>414,098</u>	<u>934,584</u>	<u>2,703,297</u>	<u>129,487</u>	<u>106,980</u>
Fund Balances at End of Year	<u>\$ 34,378</u>	<u>\$ 279,111</u>	<u>\$ -</u>	<u>\$ 456,761</u>	<u>\$ 880,830</u>	<u>\$ 50,000</u>	<u>\$ 121,153</u>	<u>\$ 101,761</u>

(Continued on next page)

## TOWN OF BRANFORD, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

## Special Revenue

	<u>Elderly Commission</u>	<u>Board of Education Severance</u>	<u>Dog</u>	<u>Foote</u>	<u>Summer Studies</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Revenues:							
Assessment income	\$	\$	\$	\$	\$	\$ 2,554,086	\$ 2,560,721
Interest on assessments						37,186	40,016
Intergovernmental revenues			49,173			126,144	4,167,553
Investment income	2,825	1,008	1,071			17,016	107,855
Sale of food							767,528
Program income					31,795		576,339
Sales and services			19,649			519,178	921,145
Other	133,473		12,884	15,000		479	271,795
Total revenues	<u>136,298</u>	<u>1,008</u>	<u>82,777</u>	<u>15,000</u>	<u>31,795</u>	<u>3,254,089</u>	<u>9,412,952</u>
Expenditures:							
Current:							
General government							443,845
Public safety			184,076				347,854
Public works and highway						2,276,818	2,940,775
Parks, recreation and libraries							406,463
Health and human services	4,961						647,391
Education				14,410	39,494		4,136,211
Pension and insurance							3,359,598
Debt service							44,573
Total expenditures	<u>4,961</u>	<u>-</u>	<u>184,076</u>	<u>14,410</u>	<u>39,494</u>	<u>2,276,818</u>	<u>12,326,710</u>
Excess (Deficiency) of Revenues over Expenditures	131,337	1,008	(101,299)	590	(7,699)	977,271	(2,913,758)
Other Financing Sources (Uses):							
Transfers in			116,704			600,000	2,038,879
Transfers out						(803,250)	(803,250)
Net Change in Fund Balances	131,337	1,008	15,405	590	(7,699)	774,021	(1,678,129)
Fund Balances at Beginning of Year	<u>277,805</u>	<u>59,736</u>	<u>116,614</u>	<u>2,471</u>	<u>16,630</u>	<u>1,056,331</u>	<u>7,757,688</u>
Fund Balances at End of Year	<u>\$ 409,142</u>	<u>\$ 60,744</u>	<u>\$ 132,019</u>	<u>\$ 3,061</u>	<u>\$ 8,931</u>	<u>\$ 1,830,352</u>	<u>\$ 6,079,559</u>

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**TOWN OF BRANFORD, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Permanent Fund

	<u>Damascus Cemetery</u>	<u>Leshine Scholarship</u>	<u>Caspar Block Scholarship</u>	<u>Gustaf Nelson Memorial</u>	<u>Caspar Block Special Recreation Grant</u>	<u>Total</u>	<u>Transfers/ Interfunds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:								
Assessment income	\$	\$	\$	\$	\$	-	\$	\$ 2,560,721
Interest on assessments						-		40,016
Intergovernmental revenues						-		4,167,553
Investment income	(24,404)	96	93	653	1,197	(22,365)		85,490
Sale of food						-		767,528
Program income						-		576,339
Sales and services						-		921,145
Other						-		271,795
Total revenues	<u>(24,404)</u>	<u>96</u>	<u>93</u>	<u>653</u>	<u>1,197</u>	<u>(22,365)</u>	<u>-</u>	<u>9,390,587</u>
Expenditures:								
Current:								
General government						-		443,845
Public safety						-		347,854
Public works and highway						-		2,940,775
Parks, recreation and libraries						-		406,463
Health and human services	4,525					4,525		651,916
Education		251	250	500		1,001		4,137,212
Pension and insurance						-		3,359,598
Debt service						-		44,573
Total expenditures	<u>4,525</u>	<u>251</u>	<u>250</u>	<u>500</u>	<u>-</u>	<u>5,526</u>	<u>-</u>	<u>12,332,236</u>
Excess (Deficiency) of Revenues over Expenditures	(28,929)	(155)	(157)	153	1,197	(27,891)	-	(2,941,649)
Other Financing Sources (Uses):								
Transfers in								2,038,879
Transfers out								(803,250)
Net Change in Fund Balances	(28,929)	(155)	(157)	153	1,197	(27,891)	-	(1,706,020)
Fund Balances at Beginning of Year	<u>133,163</u>	<u>5,671</u>	<u>5,529</u>	<u>38,699</u>	<u>71,242</u>	<u>254,304</u>	<u>-</u>	<u>8,011,992</u>
Fund Balances at End of Year	<u>\$ 104,234</u>	<u>\$ 5,516</u>	<u>\$ 5,372</u>	<u>\$ 38,852</u>	<u>\$ 72,439</u>	<u>\$ 226,413</u>	<u>\$ -</u>	<u>\$ 6,305,972</u>



**TOWN OF BRANFORD, CONNECTICUT**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF NET ASSETS**

**JUNE 30, 2009**

	<u>Medical Fund</u>	<u>Workers' Compensation Revenues</u>	<u>Heart and Hypertension Fund</u>	<u>Interfund Eliminations</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,291,522	\$ 1,808,485	\$ 234,784	\$	\$ 3,334,791
Accounts receivable	7,751				7,751
Due from other funds	200,000	5,679	35,000	(5,679)	235,000
Total assets	<u>1,499,273</u>	<u>1,814,164</u>	<u>269,784</u>	<u>(5,679)</u>	<u>3,577,542</u>
<b>Liabilities:</b>					
Accounts payable		1,281			1,281
Claims incurred not reported	167,586	639,726	959,517		1,766,829
Due to other funds			5,679	(5,679)	-
Total liabilities	<u>167,586</u>	<u>641,007</u>	<u>965,196</u>	<u>(5,679)</u>	<u>1,768,110</u>
<b>Net Assets:</b>					
Unrestricted	<u>\$ 1,331,687</u>	<u>\$ 1,173,157</u>	<u>\$ (695,412)</u>	<u>\$ -</u>	<u>\$ 1,809,432</u>

## TOWN OF BRANFORD, CONNECTICUT

## INTERNAL SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Medical Fund</u>	<u>Workers' Compensation Revenues</u>	<u>Heart and Hypertension Fund</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Operating Revenues:					
Contributions for benefits	\$ 1,564,172	\$ 1,038,597	\$ 204,950	\$ -	\$ 2,807,719
Others	29,247	145,040			174,287
Total operating revenues	<u>1,593,419</u>	<u>1,183,637</u>	<u>204,950</u>	<u>-</u>	<u>2,982,006</u>
Operating Expenses:					
Benefit claims	934,246	524,070	460,023		1,918,339
Claims administration	48,703	78,553	649		127,905
Total operating expenses	<u>982,949</u>	<u>602,623</u>	<u>460,672</u>	<u>-</u>	<u>2,046,244</u>
Operating Income (Loss)	610,470	581,014	(255,722)	-	935,762
Nonoperating Income - Interest Income	<u>3,519</u>	<u>17,180</u>	<u>5,037</u>		<u>25,736</u>
Change in Net Assets	613,989	598,194	(250,685)	-	961,498
Net Assets at Beginning of Year	<u>717,698</u>	<u>574,963</u>	<u>(444,727)</u>	<u>-</u>	<u>847,934</u>
Net Assets at End of Year	<u>\$ 1,331,687</u>	<u>\$ 1,173,157</u>	<u>\$ (695,412)</u>	<u>\$ -</u>	<u>\$ 1,809,432</u>

**TOWN OF BRANFORD, CONNECTICUT**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Medical Fund</u>	<u>Workers' Compensation Fund</u>	<u>Heart and Hypertension Fund</u>	<u>Interfund Eliminations</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Cash received for benefits	\$ 1,394,301	\$ 1,198,423	\$ 169,950	\$	\$ 2,762,674
Cash paid for benefits and administration	<u>(904,499)</u>	<u>(717,036)</u>	<u>(255,123)</u>	<u>-</u>	<u>(1,876,658)</u>
Net cash provided by (used in) operating activities	489,802	481,387	(85,173)	-	886,016
Cash Flows from Investing Activities:					
Interest income	<u>3,519</u>	<u>17,180</u>	<u>5,037</u>	<u>-</u>	<u>25,736</u>
Net Increase in Cash and Cash Equivalents	493,321	498,567	(80,136)	-	911,752
Cash and Cash Equivalents at Beginning of Year	<u>798,201</u>	<u>1,309,918</u>	<u>314,920</u>	<u>-</u>	<u>2,423,039</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,291,522</u>	<u>\$ 1,808,485</u>	<u>\$ 234,784</u>	<u>\$ -</u>	<u>\$ 3,334,791</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 610,470	\$ 581,014	\$ (255,722)	\$	\$ 935,762
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Changes in balance sheet accounts:					
Increase (decrease) in payables	78,450	(114,413)	205,549		169,586
(Increase) decrease in receivables	<u>(199,118)</u>	<u>14,786</u>	<u>(35,000)</u>	<u>-</u>	<u>(219,332)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 489,802</u>	<u>\$ 481,387</u>	<u>\$ (85,173)</u>	<u>\$ -</u>	<u>\$ 886,016</u>

## TOWN OF BRANFORD, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Branford Conservation Commission</b>				
Assets:				
Cash and cash equivalents	\$ <u>1,701</u>	\$ <u>29</u>	\$ <u>-</u>	\$ <u>1,730</u>
Liabilities:				
Due to students, employees and other groups	\$ <u>1,701</u>	\$ <u>29</u>	\$ <u>-</u>	\$ <u>1,730</u>
<b>Shellfish Commission</b>				
Assets:				
Cash and cash equivalents	\$ <u>45,719</u>	\$ <u>27,640</u>	\$ <u>3,368</u>	\$ <u>69,991</u>
Liabilities:				
Due to students, employees and other groups	\$ <u>45,719</u>	\$ <u>27,640</u>	\$ <u>3,368</u>	\$ <u>69,991</u>
<b>Academy-On-The-Green</b>				
Assets:				
Cash and cash equivalents	\$ <u>32,569</u>	\$ <u>2,801</u>	\$ <u>-</u>	\$ <u>35,370</u>
Liabilities:				
Due to students, employees and other groups	\$ <u>32,569</u>	\$ <u>2,801</u>	\$ <u>-</u>	\$ <u>35,370</u>

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## TOWN OF BRANFORD, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Volunteer Firemen's Pension Fund</b>				
Assets:				
Cash and cash equivalents	\$ 13,265	\$ 1	\$	\$ 13,266
Investments	<u>224,388</u>	<u>18,286</u>	<u>34,949</u>	<u>207,725</u>
Total Assets	<u>\$ 237,653</u>	<u>\$ 18,287</u>	<u>\$ 34,949</u>	<u>\$ 220,991</u>
Liabilities:				
Due to students, employees and other groups	<u>\$ 237,653</u>	<u>\$ 18,287</u>	<u>\$ 34,949</u>	<u>\$ 220,991</u>
<b>Branford Medical Transit</b>				
Assets:				
Cash and cash equivalents	<u>\$ 6,906</u>	<u>\$ 17,274</u>	<u>\$ 14,424</u>	<u>\$ 9,756</u>
Liabilities:				
Due to students, employees and other groups	<u>\$ 6,906</u>	<u>\$ 17,274</u>	<u>\$ 14,424</u>	<u>\$ 9,756</u>

(Continued on next page)

## TOWN OF BRANFORD, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Commission on Services For the Elderly</b>				
Assets:				
Cash and cash equivalents	\$ 9,891	\$ 136,236	\$ 118,340	\$ 27,787
Liabilities:				
Due to students, employees and other groups	\$ 9,891	\$ 136,236	\$ 118,340	\$ 27,787
<b>Student Activity Funds</b>				
Assets:				
Cash and cash equivalents	\$ 772,030	\$ 1,987,069	\$ 2,060,061	\$ 699,038
Investments	168,845	6,399	7,265	167,979
Total Assets	\$ 940,875	\$ 1,993,468	\$ 2,067,326	\$ 867,017
Liabilities:				
Due to students, employees and other groups	\$ 940,875	\$ 1,993,468	\$ 2,067,326	\$ 867,017

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## TOWN OF BRANFORD, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Developer Bond Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>662,560</u>	\$ <u>46,792</u>	\$ <u>157,926</u>	\$ <u>551,426</u>
Liabilities:				
Due to students, employees and other groups	\$ <u>662,560</u>	\$ <u>46,792</u>	\$ <u>157,926</u>	\$ <u>551,426</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 1,544,641	\$ 2,217,842	\$ 2,354,119	\$ 1,408,364
Investments	<u>393,233</u>	<u>24,685</u>	<u>42,214</u>	<u>375,704</u>
Total Assets	\$ <u>1,937,874</u>	\$ <u>2,242,527</u>	\$ <u>2,396,333</u>	\$ <u>1,784,068</u>
Liabilities:				
Due to students, employees and other groups	\$ <u>1,937,874</u>	\$ <u>2,242,527</u>	\$ <u>2,396,333</u>	\$ <u>1,784,068</u>
Total Liabilities	\$ <u>1,937,874</u>	\$ <u>2,242,527</u>	\$ <u>2,396,333</u>	\$ <u>1,784,068</u>

## TOWN OF BRANFORD, CONNECTICUT

## STATEMENT OF DEBT LIMITATION

JUNE 30, 2009

In Thousands

Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2009	\$ 77,314
Total tax collections (including interest and lien fees) of coterminous municipalities (estimated)	800
Reimbursement for revenue loss on: Elderly tax relief	<u>12</u>
Base	<u>\$ 78,126</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 175,784	\$	\$	\$	\$
4-1/2 times base		351,567			
3-3/4 times base			292,973		
3-1/4 times base				253,910	
3 times base					234,378
Total debt limitation	<u>175,784</u>	<u>351,567</u>	<u>292,973</u>	<u>253,910</u>	<u>234,378</u>
Indebtedness:					
Bonds payable	7,234	10,724	25,546		
Bonds authorized and unissued	5,300				
School building grants receivables		(3,768)			
Total indebtedness	<u>12,534</u>	<u>6,956</u>	<u>25,546</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 163,250</u>	<u>\$ 344,611</u>	<u>\$ 267,427</u>	<u>\$ 253,910</u>	<u>\$ 234,378</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation \$546,882.

Note 2: Water bonds of \$105 are excluded from the computation above.