

INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Branford
Branford, Connecticut

Dear Members of the Board:

We have audited the general purpose financial statements of the Town of Branford as of June 30, 1997 and for the year then ended, as listed in the accompanying Table of Contents (Exhibits I to VI, inclusive). These general purpose financial statements are the responsibility of the Town of Branford's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and 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 opinion.

In our opinion, the aforementioned general purpose financial statements present fairly, in all material respects, the financial position of the Town of Branford at June 30, 1997 and the results of its operations and the cash flows of its nonexpendable trust funds for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 8 to the general purpose financial statements, the Town has adopted the provisions of Governmental Accounting Standards Board Statement 25 "*Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*" and Statement 27 "*Accounting for Pensions by State and Local Governmental Employers*".

In accordance with *Government Auditing Standards*, we have also issued reports dated December 19, 1997 on our consideration of the Town's internal control structure and on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole (Exhibits I to VI, inclusive). The combining, individual fund, and individual account group financial statements and schedules listed in the accompanying Table of Contents (Exhibit A-1 through F-3, inclusive) are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

December 19, 1997

Scully & Wolf LLP

TOWN OF BRANFORD

TABLE OF CONTENTS

JUNE 30, 1997

<u>Exhibit</u>		<u>Page</u>
	General Purpose Financial Statements:	
I	Combined Balance Sheet - All Fund Types and Account Groups	1
II	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	2
III	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) General Fund and Special Revenue Funds	3
IV	Combined Statement of Revenues, Expenses and Changes in Fund Balance - Nonexpendable Trust Funds	4
V	Combined Statement of Cash Flows - Nonexpendable Trust Funds	5
VI	Statement of Changes in Plan Net Assets - Pension Trust Fund	6
	Notes to Financial Statements.....	7
	Combining, Individual Fund and Account Group Statements and Schedules:	
	General Fund:	
A-1	Comparative Balance Sheet	26
A-2	Statement of Estimated and Actual Revenues	27
A-3	Statement of Estimated and Actual Expenditures.....	30
A-4	Report of Tax Collector	33
	Special Revenue Funds:	
B-1	Combining Balance Sheet.....	34
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	36
B-3	Combining Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual	38
B-4	Schedule of Sewer Assessments Receivable	41
B-5	Schedule of Water Assessments Receivable	42
	Capital Projects Funds:	
C-1	Combining Balance Sheet.....	43
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	48
	Trust and Agency Funds:	
D-1	Combining Balance Sheet.....	53
	Expendable Trust Funds:	
D-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	57
	Nonexpendable Trust Funds:	
D-3	Combining Statement of Revenues, Expenses and Changes in Fund Balance.....	58
D-4	Combining Statement of Cash Flows	59
	Agency Fund:	
D-5	Combining Statement of Changes in Assets and Liabilities.....	60
	General Fixed Assets:	
E-1	Statement of General Fixed Assets	63
	General Long-Term Debt:	
F-1	Comparative Statement of General Long-Term Debt.....	64
F-2	Schedule of Long-Term Indebtedness	65
F-3	Statement of Debt Limitation	66

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997

	FIDUCIARY				ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GOVERNMENTAL FUND TYPES	CAPITAL PROJECTS	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
ASSETS AND OTHER DEBITS							
Assets:							
Cash and cash equivalents	\$12,626,875	\$ 212,355	\$ 708,097			\$ 15,130,678	
Investments			6,562,709			6,562,709	
Receivables:							
Taxes	2,628,002					2,628,002	
Assessments		5,006,263				5,006,263	
Other	134,850		3,422			138,272	
Intergovernmental	195,547	70,520				266,067	
Due from other funds	1,540,502	4,331,404				5,874,191	
Inventory		7,946				7,946	
Fixed assets				\$55,327,733		55,327,733	
Other assets	17,938	29,499				47,437	
Other debits:							
Amount to be provided from State grants					\$ 4,666,139	4,666,139	
Amount to be provided from taxation					37,742,618	37,742,618	
TOTAL	\$17,143,714	\$6,699,864	\$7,274,228	\$55,327,733	\$42,408,757	\$133,398,055	

LIABILITIES, EQUITY AND OTHER CREDITS

Liabilities:						
Accounts payable and accrued expenses	\$ 1,950,775	\$ 2,160,051	\$ 2,191			\$ 4,347,807
Accrued termination benefits payable					\$ 5,975,475	5,975,475
Due to other funds	4,332,719	1,280,872	82,238			5,874,191
Due to student and other groups			783,844			783,844
Deferred revenues	3,202,353	5,015,394				8,217,747
Bond and sewer anticipation notes payable		245,000			606,000	851,000
General obligation bonds and notes payable					33,141,390	33,141,390
Other liabilities	436,076				1,273,880	1,709,956
Net pension obligation					1,412,012	1,412,012
Total liabilities	9,921,923	5,428,546	868,273		42,408,757	62,313,422
Equity and other credits:						
Investments in general fixed assets				\$55,327,733		55,327,733
Fund balances:						
Reserved for inventory		7,946				7,946
Reserved for employees retirement benefits			5,756,233			5,756,233
Reserved for encumbrances						7,285,641
Reserved trust principal			200,420			200,420
Unreserved:						
Designated for subsequent year budget	3,900,000					3,900,000
Designated for specific purposes					471,453	471,453
Undesignated	3,321,791	1,263,372	449,302			(1,864,793)
Total equity and other credits	7,221,791	1,271,318	6,405,955	55,327,733		71,084,633
TOTAL	\$17,143,714	\$6,699,864	\$7,274,228	\$55,327,733	\$42,408,757	\$133,398,055

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

TOWN OF BRANFORD

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	FIDUCIARY FUND TYPE. EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
Revenues:					
Taxes	\$42,596,640	\$1,324,459			\$ 42,596,640
Assessments					1,324,459
Licenses, permits and other departments	1,672,393				1,672,393
Intergovernmental revenues	4,405,297	1,165,070	\$ 317,825		5,888,192
Donations and grants				\$ 22,922	22,922
Investment income	1,198,872	47,094	4,054	21,196	1,271,216
Sales and services		1,355,224			1,355,224
Other	753,923	39,721	62,505		856,149
Total revenues	50,627,125	3,931,568	384,384	44,118	54,987,195
Expenditures:					
Current:					
General government	1,953,064				1,953,064
Public safety	5,148,380	7,787			5,156,167
Public works and highway	5,174,549	260,480			5,435,029
Parks, recreation and libraries	1,186,844	63,489		12,721	1,263,054
Health and human services	1,078,262	719,379		13,108	1,810,749
Education	28,569,137	1,581,672			30,150,809
Pension and insurance	3,507,512				3,507,512
Capital outlay	170,462		10,811,753		10,982,215
Debt service	4,455,723	1,331,308			5,787,031
Total expenditures	51,243,933	3,964,115	10,811,753	25,829	66,045,630
Excess (deficiency) of revenues over expenditures	(616,808)	(32,547)	(10,427,369)	18,289	(11,058,435)
Other financing sources (uses):					
Proceeds from bond issue			10,600,000		10,600,000
Operating transfers in	5,802		1,632,691		1,638,493
Operating transfers out	(1,565,178)		(73,315)		(1,638,493)
Total other financing sources (uses)	(1,559,376)		12,159,376		10,600,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,176,184)	(32,547)	1,732,007	18,289	(458,435)
Fund balance (deficit), beginning of year	9,397,975	1,303,865	(874,171)	363,289	10,190,958
Fund balance, end of year	\$ 7,221,791	\$ 1,271,318	\$ 857,836	\$ 381,578	\$ 9,732,523

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
 GENERAL FUND AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1997

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes	\$42,247,517	\$42,596,640	\$ 349,123	\$1,302,350	\$1,324,045	\$ 21,695
Assessments						
Licenses, permits and other departments	1,479,600	1,672,393	192,793	127,620	159,065	31,445
Intergovernmental revenues	3,756,699	3,386,380	(370,319)	26,000	29,739	3,739
Investment income	750,000	1,198,872	448,872	599,311	594,109	(5,202)
Sales and services				757,042	713,120	(43,922)
Other	589,916	753,923	164,007			
Total revenues	48,823,732	49,608,208	784,476	2,812,323	2,820,078	7,755
Expenditures:						
Current:						
General government	1,965,048	1,906,923	58,125			
Public safety	5,193,631	5,148,380	45,251			
Public works and highway	5,409,234	5,174,549	234,685			
Parks, recreation and libraries	1,197,608	1,186,844	10,764			
Health and human services	1,148,433	1,078,262	70,171			
Education	27,631,312	27,550,220	81,092			
Pension and insurance	3,832,325	3,507,512	324,813			
Purchasing of food				278,866	308,467	(29,601)
Salaries and wages				799,129	716,964	82,165
Rental				9,000	5,400	3,600
Supplies				71,411	27,640	43,771
Other				268,562	250,467	18,095
Legal and advertising	174,500	170,462	4,038	47,525	42,455	5,070
Capital outlay	4,455,914	4,455,723	191	1,341,357	1,331,308	10,049
Debt service						
Total expenditures	51,008,005	50,178,875	829,130	2,815,850	2,682,701	133,149
Excess of revenues over expenditures	(2,184,273)	(570,667)	1,613,606	(3,527)	137,377	140,904
Other financing sources (uses):						
Operating transfers in		5,802	5,802			
Operating transfers out	(1,565,178)	(1,565,178)				
Total other financing sources uses	(1,565,178)	(1,559,376)	5,802			
Excess of revenues and other financing sources over expenditures and other financing uses	\$(3,749,451)	(2,130,043)	\$1,619,408	\$ (3,527)	137,377	\$140,904
Fund balance, July 1, 1996		9,351,834			676,540	
Fund balance, June 30, 1997		\$ 7,221,791			\$ 813,917	

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

TOWN OF BRANFORD

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

Operating revenues:	
Investment income	\$ 11,501
Other revenue	<u>20,000</u>
Total operating revenues	31,501
Operating expenses:	
Scholarships	\$ 1,000
Other	<u>18,072</u>
Total operating expenses	<u>19,072</u>
Net income.....	12,429
Fund balance, July 1, 1996.....	<u>255,715</u>
Fund balance, June 30, 1997.....	<u><u>\$268,144</u></u>

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

TOWN OF BRANFORD

COMBINED STATEMENT OF CASH FLOWS
 NONEXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 1997

Cash flows from operating activities:	
Payments for scholarships and other	\$ (18,572)
Cash from contributions	<u>20,000</u>
Net cash provided from operating activities	1,428
Cash flows from investing activities:	
Interest income	\$11,501
Sale of investments	<u>83,917</u>
Net cash provided from investing activities	<u>95,418</u>
Net increase in cash and cash equivalents.....	96,846
Cash and cash equivalents at beginning of year.....	<u>170,549</u>
Cash and cash equivalents at end of year.....	267,395
Other Trust and Agency Funds:	
Cash and cash equivalents, June 30, 1997:	
Pension Trust Funds	(213)
Expendable Trust Funds	56,358
Agency Funds	<u>384,557</u>
Total All Trust and Agency Funds	<u><u>\$708,097</u></u>
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net income.....	\$ 12,429
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Interest income included in operating income	(11,501)
Increase in accounts payable	<u>500</u>
Net cash provided (used) by operating activities.....	<u><u>\$ 1,428</u></u>

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

TOWN OF BRANFORD

STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

Additions:	
Contributions:	
Employer.....	\$ 770,000
Plan members.....	<u>119,291</u>
Total contributions.....	889,291
Investment income:	
Net appreciation in fair value of investments..	\$668,639
Interest and dividends.....	<u>235,336</u>
Net investment income.....	<u>903,975</u>
Total additions	1,793,266
Deductions:	
Benefits.....	319,956
Administration.....	<u>41,355</u>
Total deductions	<u>361,311</u>
Net increase.....	1,431,955
Net assets held in trust for pension benefits, July 1, 1996.....	<u>4,324,278</u>
Net assets held in trust for pension benefits, June 30, 1997.....	<u><u>\$5,756,233</u></u>

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

TOWN OF BRANFORD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Branford (the "Town") have been prepared in conformity with generally accepted accounting principles (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. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into fund types and fund categories as follows:

Governmental Funds

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds, or Trust Funds).

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Pension Trust and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature and do not involve measurement of results or operations.

C. Account Groups

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets. General fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are in the General Long-Term Debt Account Group.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within sixty (60) days after year end. Expenditures are generally recorded when the related fund liability is incurred. Exceptions to this general rule include: 1) principal and interest on general long-term debt is recognized when due; 2) accumulated unpaid employee compensated absences are recorded when paid.

The significant revenues susceptible to accrual are property taxes, interest revenue and grants.

Licenses, permits and other fees are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by pension trust funds and nonexpendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Town reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

E. Budgets and Budgetary Accounting, Town Charter

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, Dog Fund, BOE Program Fund, Day Care and Cafeteria). 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 Representative Town Meeting (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 Representative Town Meeting (RTM). No recommended transfer by the Board of Finance shall be effective unless approved by the RTM.

No additional appropriations were made during the year ended June 30, 1997.

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.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than generally accepted accounting principles (GAAP basis). The major differences between the budget and GAAP basis are as follows:

- . Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year whereas they are shown as a reservation of fund balance on a GAAP basis of accounting.
- . State of Connecticut payments on-behalf of Town of Branford teachers for the State teacher retirement system are reported for GAAP purposes only, as intergovernmental revenue and education expenditures. This reporting is in accordance with Governmental Accounting Standards Board Statement No. 24.

The Board of Education does not budget for expenditures reimbursed by the State of Connecticut for excess costs related to certain special education students. These reimbursements are netted against expenditures for budgetary reporting purposes.

General Fund and certain Special Revenue Funds budgetary results are presented in Exhibit III.

As explained above, the Town's budgetary fund structure as presented in Exhibit III accounts for certain transactions differently from that utilized in Exhibits I and II, which present financial statements in conformity with generally accepted accounting principles. A reconciliation of these differences at June 30, 1997 follows:

	.....General Fund.....	
	<u>Revenues</u>	<u>Expenditures</u>
GAAP basis, Exhibit II.....	\$50,627,125	\$51,325,025
Encumbrances:		
June 30, 1996.....		(46,141)
State on-behalf payments for teacher retirement	(968,767)	(968,767)
Special education excess cost grants.....	<u>(50,150)</u>	<u>(50,150)</u>
Non-GAAP budgetary basis, Exhibit III.....	<u>\$49,608,208</u>	<u>\$50,259,967</u>

As previously indicated not all Special Revenue Funds have adopted budgets. The following is a reconciliation of Exhibit II and III:

	.....Special Revenue Funds.....	
	<u>Revenues</u>	<u>Expenditures</u>
GAAP basis, Exhibit II.....	\$ 3,931,568	\$ 3,964,115
Encumbrances:		
June 30, 1996.....	- 0 -	- 0 -
June 30, 1997.....	- 0 -	- 0 -
Non-budgeted funds	<u>(1,111,490)</u>	<u>(1,281,414)</u>
Non-GAAP budgetary basis, Exhibit III.....	<u>\$ 2,820,078</u>	<u>\$ 2,682,701</u>

F. Cash and Cash Equivalents

The Town considers all highly liquid investments and those with a maturity of three months or less when purchased to be cash equivalents.

G. Investments

Investments are stated at cost for all funds with the exception of the Pension Funds and the Deferred Compensation Fund for which investments are stated at fair market value.

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. For financial reporting purposes, encumbrances outstanding at year end are reported as a reservation of fund balance and do not constitute expenditures or liabilities.

I. Inventory

Inventory in the Cafeteria Fund (Special Revenue Fund) is valued at cost except for the U.S.D.A. donated commodities which are valued at market, utilizing the FIFO method. Food costs are determined using the consumption method of accounting. The Town has no inventories in other funds.

J. Accrued Termination Benefits

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.

Liabilities for compensated absences are accrued at current salary rates in force at June 30, 1997. The entire estimated liability for compensated absences is recorded in the General Long-Term Debt Account Group since the liability will be funded from future financial resources, not from available financial resources.

K. Joint Ventures

Bristol Resource Recovery Facility Operating Committee

The Town is a participant with fourteen (14) other cities and towns in a joint venture, the Bristol Resource Recovery Facility Operating Committee (BRRFOC). The BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of contracting municipalities in dealing with the trash to energy plant built by Ogden Martin Systems of 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 \$685,158 this year. General Fund unreserved, undesignated fund balance for fiscal year ended June 30, 1997 as reflected in the BRRFOC's financial statements is \$6.98 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut. In conjunction with its participation in the BRRFOC the Town of Branford, together with fourteen (14) other Connecticut municipalities (Contracting Municipalities), has entered into a service agreement with the Ogden Martin Systems of Bristol, Inc., a wholly owned subsidiary of Ogden Martin Systems, Inc. (Company), regarding the disposal of solid waste. The Company is obligated to construct, equip and operate a 650-ton per day mass burn solid waste disposal, electric power generation resource recovery facility. Under the agreement the Town has agreed to deliver to the Company all acceptable waste generated within the boundaries of the Town. The Town is obligated to provide a guaranteed tonnage for each billing period. The service fee payable by each Contracting Municipality for such waste disposal service is its pro-rate share, based on its respective tonnage deliveries, of the sum for each period of (1) an amount equal to debt service on the bonds issued for the Project, (2) the operation and maintenance expense, and (3) pass through costs including certain taxes, insurance and utility costs, less a credit equal to 90% of all energy revenues and with an adjustment with respect to recovered ferrous metals.

On May 15, 1996, the Committee issued \$68,040,000 in Solid Waste Revenue Refunding Bonds with interest rates varying from 5.2% to 6.5% to current refund \$66,835,000 of outstanding special obligation bonds of the Connecticut Development Authority. The proceeds from the original bonds were loaned by the Authority to Ogden Martin Systems of Bristol, Inc. 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 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. The current balance of the bonds outstanding is \$65,845,000.

L. Interfund Transactions

Following is a description of the three basic types of interfund transactions made during the year and the related accounting policies:

Transactions to reimburse a fund for expenditures made by it or for the benefit of another fund - these transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

Transactions to shift revenues or contributions from the fund budgeted to receive them to the fund budgeted to expend them - these transactions are recorded as transfers in and out.

Transactions to record equity contributions between funds - the receiving fund records such transactions as a transfer in and an addition to fund balance. The disbursing fund records the transaction as transfer out and reduction of fund balance.

M. Total Columns on General Purpose Financial Statements

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. Comparative Data

The financial information shown for 1996 in selected financial statements is included to provide a basis for comparison with 1997 and presents summarized totals only.

2. 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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund (STIF) and the Tax Exempt Proceeds Fund (TEPF). 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.

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 1997:

Deposits:	
Demand accounts	\$ 1,602,205
Interest bearing accounts.....	<u>617,298</u>
Total deposits	2,219,503
Petty cash accounts	600
Other cash equivalents*:	
Tax Exempt Proceeds Funds	2,006**
State Short-Term Investment Fund (STIF)	<u>12,908,569**</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$15,130,678</u>

* Short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity.

** Risk Category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

B. Deposits

At June 30, 1997, the carrying amount of the Town deposits was \$2,219,503 and the bank balance was \$3,142,584. Of the bank balance, \$361,945 was covered by Federal Depository Insurance. Section 36a-333 of the Connecticut General Statutes requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio. A minimum of \$308,064 based on June 30, 1997 deposits was collateralized at Risk Category 3. Risk Category 3 is defined as collateral held by the pledging financial institution, or by its trust department or agent, but not in the Town's name. The balance of deposits of \$2,472,575 were uninsured and uncollateralized.

C. Investments

The Town's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by its trust department or agent but not in the Town's name.

At June 30, 1997, the Town's investments consisted of the following:

	.....Category.....			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities.....			\$ 327,619	\$ 327,619	\$ 327,889
Equity Securities.....	\$1,249		328,094	329,343	397,086
Police Pension and Volunteer Firemen Fund:					
U.S. Government Securities.....			868,232	868,232	868,232
Other Debt Securities.....			1,680,922	1,680,922	1,680,922
Equity Securities.....			3,356,593	3,356,593	3,356,593
TOTAL.....	\$1,249	\$ - 0 -	\$6,561,460	\$6,562,709	\$6,630,722

4. PROPERTY TAXES

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 seventy percent of the market value. Unpaid balances at June 30 are liened.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within sixty days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue.

5. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual fund interfund receivable and payable balances at June 30, 1997, are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund.....	Central Administration Fund.....	\$ 81,092
General Fund.....	Water Assessment Fund.....	52,746
General Fund.....	Town Aid Road Fund.....	96,782
General Fund.....	Sewer Assessment Fund.....	28,835
General Fund.....	Clarifier Fund.....	102,909
General Fund.....	Clean Water.....	18,851
General Fund.....	Leetes Island Core.....	502,779
General Fund.....	Blackstone Library Phase II.....	552,755
General Fund.....	Waste Water Design Fund.....	77,274
General Fund.....	Pine Gutter Brook.....	25,771
General Fund.....	Counseling Center.....	708
Police Station.....	General Fund.....	19,639
Board of Education Office Renovation.....	General Fund.....	4,411
Road Construction.....	General Fund.....	55,492
Special Programs.....	General Fund.....	2,285
Sidewalks and Curbs.....	General Fund.....	153,550
High School Renovations.....	General Fund.....	3,882,139

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
Fire Apparatus Fund	General Fund.....	\$ 130,709
Computer System Upgrade.....	General Fund.....	20,152
1997 Capital Projects.....	General Fund.....	64,341
Leetes Island Water	Leetes Island Core	533
Senior Center	Commission on Services for the Elderly	<u>438</u>
TOTAL.....		<u>\$5,874,191</u>

6. FIXED ASSETS

A summary of general fixed assets is as follows:

	<u>Balance</u> <u>June 30, 1997</u>
Land.....	\$ 5,789,590
Buildings	25,311,500
Equipment and personal property	16,726,344
Construction in process.....	<u>7,500,299</u>
TOTAL.....	<u>\$55,327,733</u>

The Town completed a physical inventory this year. All Town and Board of Education properties and equipment were included. Valuations for general fixed assets were based on original cost or estimated original cost. A change in fixed assets is not presented this year. The inventory value reflects a change (decrease) of approximately \$20 million. Land and buildings were previously valued at assessed value.

7. LONG-TERM DEBT

The following is a summary of general long-term debt transactions for the year ended June 30, 1997:

	<u>Balance</u> <u>July 1, 1996</u>	<u>Debt</u> <u>Issued</u>	<u>Retirements</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 1997</u>
Bonds and notes	\$20,556,726	\$15,570,000	\$2,985,336		\$33,141,390
Bond anticipation notes.....	5,470,000		5,470,000		
Sewer assessment notes	815,000		209,000		606,000
Compensated absences.....	4,674,718			\$ (96,196)	4,578,522
Lease purchase liability.....	178,820			(54,940)	123,880
Landfill closure	1,200,000			(50,000)	1,150,000
Retirement incentive	143,871			1,253,082	1,396,953
Net pension obligation*	<u>1,382,746</u>			<u>29,266</u>	<u>1,412,012</u>
TOTAL.....	<u>\$34,421,881</u>	<u>\$15,570,000</u>	<u>\$8,664,336</u>	<u>\$1,081,212</u>	<u>\$42,408,757</u>

*Result of implementation of GASB #27 (Note 8).

A schedule of bonds and notes outstanding at June 30, 1997 is presented below:

	<u>Balance</u> <u>July 1, 1996</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 1997</u>
General:				
School, 11.40%, mature in 2002	\$ 1,800,000		\$ 300,000	\$ 1,500,000
School, 6.4-8.4%, mature in 2008.....	5,390,000		460,000	4,930,000
School, 5.9-7.9%, mature in 2009.....	2,944,000		275,000	2,669,000
School, 4.0-6.0%, mature in 2016.....		\$10,000,000	400,000	9,600,000
Public improvement, 6.20-6.30%, mature in 2002	755,000		150,000	605,000
Public improvement, 8.60-9.10%, mature in 2003	665,000		95,000	570,000
Public improvement, 6.4-8.4%, mature in 2008	1,184,000		98,500	1,085,500
Public improvement, 5.9-7.9%, mature in 2009	1,425,000		95,000	1,330,000
Public improvement, 4.0-6.0%, mature in 2016		5,570,000	325,000	5,245,000
Special Assessment:				
Sewer, 12.20%, mature in 1997	75,000		75,000	
Sewer, 6.65%, mature in 2002	200,000		50,000	150,000
Sewer, 5.35%, mature in 2003	1,400,000		200,000	1,200,000
Sewer, 8.6-9.1%, mature in 2003	1,855,000		265,000	1,590,000
Sewer, 6.4-8.4%, mature in 2008.....	352,000		29,500	322,500
Sewer, 5.9-7.9%, mature in 2009.....	2,131,000		130,000	2,001,000
Water, 6.4-8.4%, mature in 2008	134,000		12,000	122,000
Total bonds.....	20,310,000	15,570,000	2,960,000	32,920,000
State of Connecticut, Water, 2%, mature 2113.....	246,726		25,336	221,390
Total bonds and notes.....	<u>\$20,556,726</u>	<u>\$15,570,000</u>	<u>\$2,985,336</u>	<u>\$33,141,390</u>

The following is a summary of debt maturities for repayment of debt, excluding bond anticipation notes and sewer anticipation notes.

Year Ending June 30,	Principal	Interest
1998.....	\$ 2,827,558	\$ 2,095,832
1999.....	2,822,812	1,898,465
2000.....	2,823,071	1,701,835
2001.....	2,843,334	1,501,589
2002.....	2,923,603	1,178,749
2003.....	2,623,878	986,975
2004.....	1,939,158	849,892
2005.....	1,914,444	750,561
2006.....	1,914,735	650,907
2007.....	1,865,033	553,497
2008.....	1,825,336	452,037
2009.....	1,240,646	342,817
2010.....	740,962	297,295
2011.....	741,284	258,910
2012.....	841,613	219,156
2013.....	828,923	175,477
2014.....	825,000	130,950
2015.....	825,000	86,400
2016.....	<u>775,000</u>	<u>41,850</u>
TOTAL.....	<u>\$33,141,390</u>	<u>\$14,173,194</u>

Bond Anticipation Notes

At June 30, 1997, bond anticipation notes, totaling \$245,000 with an interest rate of 4.0% were outstanding. The notes will mature April 8, 1998. The notes are reported in the Fire Apparatus Fund (Capital Project Fund) because they are considered temporary notes.

The following table reflects the bond anticipation notes outstanding as well as the amount of authorized debt:

	<u>Bond Anticipation Notes Outstanding</u>	<u>Authorized Debt</u>
Fire Apparatus.....	\$245,000	\$245,000

Additionally, the Town has bond authorizations outstanding of \$33,191,584 for sewer projects and \$14,327,000 for school projects.

Sewer Assessment Notes

At June 30, 1997, the Town had sewer assessment notes outstanding totaling \$606,000. These notes are general obligations of the Town issued under Connecticut General Statutes and are being issued pending collection of assessments levied in aggregate on specific sewer construction projects. These notes will mature on April 8, 1998, and may be renewed for up to fifteen years for an amount equal to the

outstanding assessments on the renewal date on the projects they were initially issued against. The interest rate is 4.0%.

General Obligation Bonds and Notes

All bonds, bond anticipation notes, and sewer assessment notes are classified as general obligations of the Town.

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>Debt Limit</u>	<u>Indebtedness*</u>	<u>Balance</u>
General purpose	\$97,502,335	\$9,080,500	\$88,421,835
Schools	\$195,004,670	\$28,359,861	\$166,644,809
Sewers	\$162,503,891	\$6,090,890	\$156,413,001
Urban renewal	\$140,836,706		\$140,836,706

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation \$303,340,597.

* Includes bonds authorized unissued and excludes water bonds.

** Total school indebtedness has been reduced by State of Connecticut Building Grants commitments of \$4,666,139.

Retirement Incentives

The Board of Education periodically provides retirement incentive programs. The liability for these programs increased by \$1,253,082 to \$1,396,953 this year.

8. EMPLOYEE RETIREMENT SYSTEM

Police Employees Retirement Plan

A. Plan Description

The Town of Branford 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 10 years of service. The retirement benefit is calculated at 2% of the highest annual salary out of the last five (5) 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 ten (10) years of service, accumulated employee contributions and related investment earnings are refunded.

During the current fiscal year, the Town implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and has elected to early implement the provisions of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. At the point of transition (July 1, 1996), the Town had no pension liability reflected in either the General Long-Term Debt Account Group or any individual fund. In accordance with GASB Statement No. 27, the Town calculated the potential for recognizing a NPO and determined that a NPO of \$1,382,746 existed.

At June 30, 1996, PERS membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	24
Terminated employees entitled to benefits but not yet receiving them	0
Active Plan Members	44
 TOTAL	 <u>68</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 market 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 6.0% 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 current rate is 44.2% of covered payroll. Benefits and contributions are established by the Town and may only be amended by the Representative Town Meeting.

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	\$ 797,915
Interest on net pension obligation	110,620
Adjustment to annual required contribution	<u>(109,269)</u>
 Annual pension cost	 799,266
Contributions made	<u>770,000</u>
 Increase (decrease) in net pension obligation	 29,266
Net pension obligation beginning of year	<u>1,382,746</u>
 Net pension obligation end of year	 <u>\$1,412,012</u>

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

Actuarial valuation date	June 30, 1996
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period.....	36 years closed
Asset valuation method.....	Market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	6.0%

E. Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Actual Contribution</u>
6/30/95	\$791,510	88.4%	\$1,272,652	\$700,000
6/30/96	\$810,010	86.4%	\$1,382,746	\$700,000
6/30/97	\$799,266	96.3%	\$1,412,012	\$770,000

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability(AAL) --Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (a-b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((a-b)/c)</u>
6/30/92	\$1,537,248	\$7,395,440	\$5,858,192	20.8%	\$1,615,767	362.6%
6/30/94	\$2,775,275	\$8,589,565	\$5,814,290	32.3%	\$1,797,306	323.5%
6/30/96	\$4,315,682	\$10,044,614	\$5,728,932	43.0%	\$1,831,325	312.8%

Schedule of Employer Contributions

	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Actual Contribution</u>
6/30/92	\$662,563	88.0%	\$585,220
6/30/93	\$735,478	82.0%	\$600,000
6/30/94	\$750,130	93.0%	\$700,000
6/30/95	\$791,424	88.0%	\$700,000
6/30/96	\$810,000	86.0%	\$700,000
6/30/97	\$797,915	96.5%	\$770,000

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.

During the current fiscal year, the Town implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. At the point of transition (July 1, 1996), the Town had no pension liability reflected in either the General Long-Term Debt Account Group or any individual fund. In accordance with GASB Statement No. 27, the Town calculated the potential for recognizing a NPO and reaffirmed that none existed.

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 8% 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, 1997, 1996, and 1995 were \$481,565, \$549,475, and \$478,197, respectively, equal to the required contributions for each year.

Teacher Retirement

All Town of Branford teachers participate in the State of Connecticut Teacher's 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 sixty and has accumulated twenty years of credited service in the public schools of Connecticut, or;
- . attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The Board of Education withholds seven percent (7%) of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$14,628,032 or 57.9% of the total Town payroll of \$25,250,733.

The retirement system for teachers is funded by the State 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, 1997 the Town has

recorded in the General Fund, intergovernmental revenue and education expenditures in the amount of \$968,767 as payments made by the State of Connecticut on-behalf of the Town.

9. DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all Town employees, except police officers, permits them to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Town (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Town's general creditors. Participant's rights under the plan are equal to the fair market value of the deferred account for each participant.

It is the opinion of the Town that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

At June 30, 1997 the amount of \$328,094 (market value), is reported as an Agency Fund in accordance with Statement 2 of the Governmental Accounting Standards Board (GASB).

10. CAPITAL LEASE AGREEMENTS

In the normal course of doing business the Board of Education entered into lease agreements. The leases met the criteria of a capital lease, and as such the present value of the minimum lease payments has been capitalized in the General Fixed Assets Account Group.

The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of June 30, 1997:

Year Ending June 30,	Total Minimum Lease Payments	Present Value of Net Minimum Lease Payments	Amount Representing Interest
1998	\$ 62,178	\$ 54,940	\$ 7,238
1999	51,509	45,960	5,549
2000	25,755	22,980	2,775
TOTAL	\$139,442	\$123,880	\$15,562

11. CAPITAL PROJECTS

A summary of capital projects at June 30, 1997 is presented below:

<u>Project</u>	<u>Appropriation</u>	<u>Cumulative Expenditures</u>	<u>Encumbrances</u>	<u>Available Balance</u>
The Boulders	\$ 300,000	\$ 120,000		\$ 180,000
Road Construction.....	5,077,671	5,013,673		63,998
Supply Pond Dam	82,923	82,923		
Revitalization	4,220,000	4,213,608		6,392
Senior Center Renovation	880,960	880,960		
Elementary School Renovation.....	12,819,000	12,809,172		9,828
Transfer Station Construction	1,505,000	1,503,217		1,783
Leetes Island Water Supply	156,000	156,533		(533)
Clarifier Project.....	110,000	102,909		7,091
Board of Education Office Renovation.	68,000	63,589		4,411
Pine Gutter Brook	106,000	98,094		7,906
Clean Water Project/Wastewater Treat- ment Planning.....	32,675,000	746,583		31,928,417
High School Renovations.....	24,327,000	8,012,867	\$7,190,616	9,123,517
Technology Upgrade (Elementary).....	500,000	467,426		32,574
Government Building Renovations.....	33,237	33,237		
1996/1997 Capital Projects	404,761	364,513		40,248
Blackstone Library Renovation/Relo- cation	100,000	100,000		
Blackstone Library Phase I	150,000	150,000		
Gould Lane Sewers	53,000	39,000		14,000
Leetes Island Water "Core"	1,294,430	946,731		347,699
Leetes Island Water "Non-Core"	1,800,000	1,800,000		
Police Station	3,970,000	3,910,366		59,634
Blackstone Library Renovation Phase II.....	4,000,000	3,507,132	95,025	397,843
Computer System Upgrade	530,000	519,206		10,794
Trolley Trail	18,000	2,008		15,992
Sidewalk and curb	125,000	5,700		119,300
Ambulance Fund	83,247	83,473		(226)
Fire Apparatus Fund.....	447,228	460,460		(13,232)
Technology Upgrade (High School).....	1,400,000			1,400,000
TOTAL.....	\$97,236,457	\$46,193,380	\$7,285,641	\$43,757,436

12. SOLID WASTE LANDFILL

The Town landfill at the intersection of Tabor Drive and Marshall Road no longer accepts mixed solid waste, yet continues to accept bulky waste and serves as a Department of Environmental Protection approved site for placement of soils with certain contaminants. As the majority of the landfill has been completed to final permitted grades, a program of placement of final cover has been instituted for those areas of the landfill where grades will not be changed in the future.

State and Federal laws and regulations require the Town to place final cover on the landfill. While the landfill continues to receive bulky waste, the Town has undertaken the placement of final cover prior to the closure of the landfill to take advantage of local opportunities for soil acquisition and complete the project over several fiscal years.

Each year, the Town appropriates funds for the placement of final cover. To date, \$200,000 has been appropriated and expended and approximately 40% of the side slopes of the landfill (approximately 33% of the total area of the landfill) have had final cover applied. It is anticipated that the placement of bulky waste will continue at the landfill for the next eight (8) years, and that the Town will continue to make an annual appropriation for the placement of final cover on the landfill until the side slopes are completed. Thereafter, annual appropriations will be placed in a reserve fund for the final cover of the top of the landfill. Soils made available to the Town, along with contaminated soils are utilized for landfill cover and serve to reduce the overall costs for landfill cover. Based upon current practice, it is anticipated that the final cover costs will total \$600,000. The Town is required to monitor and maintain the landfill for thirty years after closure. The estimated annual cost for this postclosure activity is \$25,000. 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 completion of the installation of final cover.

Summary of Estimated Total Cost of Closure and Postclosure Care

Final Cover Cost (\$50,000 x 8 years)	\$ 400,000
Postclosure Care Costs (30 years):	
Inspection and maintenance of final cover (\$10,000 annually).....	300,000
Groundwater Monitoring (\$15,000 annually).....	<u>450,000</u>
 TOTAL	 <u>\$1,150,000</u>

13. OTHER REQUIRED DISCLOSURES

Fund Deficits

The following funds had a deficit fund balance as of June 30, 1997:

<u>Fund</u>	<u>Amount</u>
Special Revenue Funds:	
Water Assessment Fund.....	\$21,656
Cafeteria Fund.....	\$36,267
Capital Project Funds:	
Clarifier Fund	\$102,909
Clean Water.....	\$18,851
Ambulance Fund	\$225
Leetes Island Core.....	\$503,338
Blackstone Library Phase II.....	\$654,613
Waste Water Design Fund	\$77,274
Pine Gutter Brook	\$25,771
Fire Apparatus Fund.....	\$258,017

The deficits in the Special Revenue Funds will be funded from future revenues. The Capital Project Fund deficits will be funded by grants, permanent financing or payments from other funds.

Overexpended Appropriations

The following budget line items were overexpended:

	<u>Budget</u>	<u>Actual</u>	<u>Overexpended</u>
Special Revenue Funds:			
Board of Education Program Fund:			
Other expenditure.....	\$32,971	\$41,001	\$8,030
Board of Education Cafeteria Fund:			
Other.....	\$40,141	\$89,550	\$49,409
Purchase of Food.....	\$278,866	\$284,158	\$5,292

Fund Reclassification

The Volunteer Firemens' Pension Fund previously recorded as a Pension Trust Fund has been reclassified as an Agency Fund to more accurately reflect its status. The change in total Trust Funds, fund balance is indicated below.

Trust Funds fund balance, as previously stated, June 30, 1996.....	\$5,075,032
Reclassification.....	<u>(131,750)</u>
Fund balance, as restated, June 30, 1996.....	<u>\$4,943,282</u>

14. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

15. LITIGATION AND CONTINGENCIES

The Town of Branford is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgement against the Town which would materially adversely affect its financial position.

TOWN OF BRANFORDGENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 1997 AND 1996

	1997	1996
<u>A S S E T S</u>		
Cash and cash equivalents.....	\$12,626,875	\$10,085,789
Receivables:		
Taxes.....	2,628,002	2,328,981
Intergovernmental.....	195,547	366,612
Other.....	134,850	55,850
Due from other funds.....	1,540,502	2,013,445
Other.....	<u>17,938</u>	<u>40,195</u>
TOTAL	<u>\$17,143,714</u>	<u>\$14,890,872</u>
L I A B I L I T I E S A N D <u>F U N D B A L A N C E</u>		
Liabilities:		
Accounts payable and accrued expenses.....	\$ 1,950,775	\$ 1,879,198
Deferred revenues.....	3,202,353	2,142,601
Due to other funds.....	4,332,719	926,192
Other.....	<u>436,076</u>	<u>544,906</u>
Total liabilities	<u>9,921,923</u>	<u>5,492,897</u>
Fund balance:		
Reserved for encumbrances.....		46,141
Unreserved:		
Designated for subsequent year's expenditures	3,900,000	3,749,451
Undesignated - available for appropriation...	<u>3,321,791</u>	<u>5,602,383</u>
Total fund balance	<u>7,221,791</u>	<u>9,397,975</u>
TOTAL	<u>\$17,143,714</u>	<u>\$14,890,872</u>

TOWN OF BRANFORDGENERAL FUNDSTATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 1997

	ESTIMATED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Taxes:			
Current taxes.....	\$41,182,267	\$41,293,576	\$ 111,309
Interest income.....	350,000	447,871	97,871
Lien fees.....	7,500	7,597	97
Suspense collections.....	7,500	7,168	(332)
Warrant fees.....	250		(250)
Delinquent taxes.....	700,000	840,428	140,428
Total.....	42,247,517	42,596,640	349,123
Intergovernmental revenues:			
Education cost sharing.....	1,106,268	1,112,292	6,024
School transportation.....	110,189	185,050	74,861
Special education - blind services..		40,168	40,168
Health and welfare.....		4,288	4,288
Principal subsidy.....	672,786	555,796	(116,990)
Interest subsidy.....	570,444	384,816	(185,628)
Adult education.....	13,455		(13,455)
Excess cost.....	110,944	5,450	(105,494)
Circuit breaker elderly.....	158,755	219,256	60,501
Elderly tax relief - freeze.....	37,322	43,542	6,220
Boat exemption.....	99,000	98,245	(755)
Disability exemption.....	1,100	2,213	1,113
Veterans' reimbursement - State.....	10,000	69,300	59,300
Manufacturing PILOT grant.....	265,392	270,335	4,943
Pequot grant.....	136,486	136,676	190
Private property exemption.....	27,442	27,442	
State property exemption.....	24,152	24,152	
Welfare reimbursement.....	100,000	55,971	(44,029)
State counseling grants.....	115,100	142,893	27,793
LOCIP grant.....	168,120		(168,120)
Stony Creek Quarry grant.....	14,744		(14,744)
Miscellaneous State grants.....		8,495	8,495
Cops Fast Federal grant.....	15,000		(15,000)
Total	3,756,699	3,386,380	(370,319)

(Continued) - 1.

TOWN OF BRANFORD
GENERAL FUND
STATEMENT OF ESTIMATES AND ACTUAL REVENUES, ETC.

	ESTIMATED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Licenses permits and fees:			
Oil burner permits.....	\$ 100	\$ 62	\$ (38)
Building permits.....	105,000	199,660	94,660
Excavation permits.....	6,000	6,345	345
Electrical permits.....	8,000	23,093	15,093
Plumbing permits.....	6,500	16,440	9,940
Heating, air conditioning and ventilation permits.....	9,000	23,021	14,021
Sewer connection permits.....	250	164	(86)
Other licenses and permits.....	3,000	1,169	(1,831)
Zoning Board of Appeals.....	5,000	5,825	825
Planning and Zoning.....	12,000	17,275	5,275
Map copies - building and engineering.....	1,000	2,204	1,204
Inland wetlands applications.....	500	10,757	10,257
Contaminated soil.....	5,000	18,500	13,500
Transfer station escrow.....	55,500	92,167	36,667
Sale of recycling boxes.....	1,000	1,675	675
Trip passes.....	1,000	2,027	1,027
Permits and tags - police.....	12,000	13,244	1,244
Special wages - police.....	250,000	276,343	26,343
Waste treatment fees.....	5,000	2,910	(2,090)
North Branford sewer fees.....	120,000	116,840	(3,160)
Pump out services.....	3,500	4,365	865
Town Clerk other monies.....	200,000	222,555	22,555
Conveyance taxes.....	100,000	114,880	14,880
DEP licenses - Town portion.....	500	1,167	667
Marriage licenses - Town portion....	1,250	2,629	1,379
Ambulance service fees.....	300,000	167,892	(132,108)
Miscellaneous permits and fees - fire services.....		561	561
Counseling fees and services.....	225,000	260,895	35,895
Welfare.....	17,500	31,936	14,436
Counseling-United Way Contribution..	25,000	33,500	8,500
Landfill tip fees.....	1,000		(1,000)
Special wages.....		2,292	2,292
Total.....	1,479,600	1,672,393	192,793

(Continued) - 2.

TOWN OF BRANFORD
GENERAL FUND
STATEMENT OF ESTIMATES AND ACTUAL REVENUES, ETC.

	ESTIMATED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Other:			
Willoughby - Wallace Library fees... \$	1,750	\$ 1,284	\$ (466)
Employee health insurance co-pay....	48,400	44,777	(3,623)
In lieu of taxes - telephone access.	310,000	321,808	11,808
In lieu of taxes - SCRW.....	131,266	136,912	5,646
Royalties - Stony Creek Quarry.....	1,000	3,929	2,929
Leases.....	3,500	4,231	731
Lease - Branford Hill Facility.....	65,000	66,996	1,996
Board of Education - building usage.	7,500	13,006	5,506
Telephone booths.....	500	595	95
Insurance claims and refunds.....	1,000	69,139	68,139
Miscellaneous refunds.....		561	561
Miscellaneous income.....	10,000	14,684	4,684
Sale of Town property.....	10,000	14,091	4,091
Reimbursement Town services.....		3,026	3,026
Board of Education - tuition reimbursement.....		58,884	58,884
Total other	589,916	753,923	164,007
Interest income.....	750,000	1,198,872	448,872
Other financing sources - transfer in.		5,802	5,802
TOTAL.....	\$48,823,732	\$49,614,010	\$790,278

TOWN OF BRANFORDGENERAL FUNDSTATEMENT OF ESTIMATED AND ACTUAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1997

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
General government:			
Legislative.....	\$ 11,952	\$ 10,551	\$ 1,401
Executive.....	261,937	260,232	1,705
Finance.....	43,313	43,063	250
Treasurer.....	231,329	217,276	14,053
Assessor.....	122,416	119,391	3,025
Review of Assessments.....	5,464	5,446	18
Tax Collector.....	175,295	172,203	3,092
Town Clerk.....	154,703	150,180	4,523
Law.....	249,221	248,734	487
Labor Relations Negotiations.....	40,000	38,719	1,281
Probate Court.....	8,650	8,187	463
Elections.....	45,322	40,335	4,987
Planning and Zoning.....	158,103	154,486	3,617
Zoning Board of Appeals.....	6,210	5,140	1,070
Development Commission.....	1,830	1,071	759
Inland Wetlands Commission.....	18,056	16,462	1,594
General Government Buildings.....	316,799	302,475	14,324
Cable Television.....	1,845	1,844	1
Electronic Data Processing.....	112,603	111,128	1,475
Total.....	1,965,048	1,906,923	58,125
Public safety:			
Police Service.....	2,810,698	2,780,178	58,125
Police Service - special detail..	272,609	272,609	
Fire Protection.....	2,046,634	2,033,771	12,863
Building Department.....	41,661	41,163	498
Other protection - Dog Warden....	22,029	20,659	1,370
Total.....	5,193,631	5,148,380	45,251
Public works and highways:			
Public Works.....	2,035,251	2,010,470	24,781
Water Pollution Control.....	1,009,692	931,582	78,110
Sanitation and Waste.....	2,232,400	2,101,171	131,229
General Engineering.....	131,891	131,326	565
Total.....	5,409,234	5,174,549	234,685

(Continued) - 1.

TOWN OF BRANFORD

GENERAL FUND

STATEMENT OF ESTIMATED AND ACTUAL EXPENDITURES, ETC.

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Health and welfare:			
Human Services.....	\$ 840,446	\$ 772,372	\$ 68,074
Commission for the Elderly.....	207,799	205,702	2,097
East Shore District Health.....	100,188	100,188	
Total.....	<u>1,148,433</u>	<u>1,078,262</u>	<u>70,171</u>
Recreation:			
Branford Recreation Department...	469,822	467,751	2,071
Parker Park.....	52,654	48,529	4,125
Young's Park Commission.....	6,442	5,254	1,188
Parks and Open Space.....	27,551	27,336	215
Parks and Greens.....	22,200	21,799	401
Docks and Recreational facilities	28,982	27,769	1,213
Public Celebration.....	15,237	14,452	785
Shellfish Commission.....	100		100
Conservation Commission.....	400	303	97
Total.....	<u>623,388</u>	<u>613,193</u>	<u>10,195</u>
Libraries:			
James Blackstone Memorial Library	467,509	467,509	
Willoughby-Wallace Library.....	106,711	106,142	569
Total.....	<u>574,220</u>	<u>573,651</u>	<u>569</u>
Pension and insurance:			
Pension and Contributions.....	1,683,600	1,586,249	97,351
Employee Group Insurance.....	1,228,000	1,196,549	31,451
Municipal insurance.....	911,665	724,714	186,951
Contingency.....	9,060		9,060
Total.....	<u>3,832,325</u>	<u>3,507,512</u>	<u>324,813</u>
Debt service:			
Principal retirement.....	2,808,837	2,808,837	
Interest and fiscal charges.....	1,647,077	1,646,886	191
Total.....	<u>4,455,914</u>	<u>4,455,723</u>	<u>191</u>

(Continued) - 2.

TOWN OF BRANFORD
 GENERAL FUND
 STATEMENT OF ESTIMATED AND ACTUAL EXPENDITURES, ETC.

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Board of Education.....	\$27,631,312	\$27,550,220	\$ 81,092
Capital Projects.....	174,500	170,462	4,038
Total expenditures.....	<u>51,008,005</u>	<u>50,178,875</u>	<u>829,130</u>
Other financing uses:			
Transfers to other funds:			
Capital Projects:			
Computer System.....	130,000	130,000	
Blackstone Library.....	1,282,000	1,282,000	
1997 Capital Improvements....	25,178	25,178	
Ambulance Fund.....	38,000	38,000	
Fire Engine Fund.....	90,000	90,000	
Total other financing uses.	<u>1,565,178</u>	<u>1,565,178</u>	
TOTAL	<u>\$52,573,183</u>	<u>\$51,744,053</u>	<u>\$829,130</u>

TOWN OF BRANFORD

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 1997

GRAND LIST	UNCOLLECTED TAXES	LAWFUL CORRECTIONS	FORECLOSURES AND ADJUSTMENTS	TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	TAXES	INTEREST	LIENS	TOTAL	UNCOLLECTED TAXES
	JULY 1, 1996									JUNE 30, 1997
1981.....	\$ 564		\$ (525)		\$ 39	27	15	19	61	\$ 12
1982.....	1,564		(563)		924	522	1,307	19	1,848	402
1983.....	1,875	(77)	(614)		1,261	348	761	38	1,147	913
1984.....	1,593	(7)	(603)		983	75	146	19	240	908
1985.....	2,271	(160)	(676)		1,435	282	495	38	815	1,153
1986.....	2,275		(689)		1,586	288	777	19	1,084	1,298
1987.....	5,172	(84)	(741)		4,347	1,177	2,570	38	3,785	3,170
1988.....	8,100	(8)	(786)		7,306	109	140	48	297	7,197
1989.....	13,678	(188)	(851)		12,639	183	162	91	436	12,456
1990.....	44,482	139	(955)		43,666	16,161	3,680	144	19,985	27,505
1991.....	280,194	(11,317)	(2,287)	\$(88,500)	178,090	71,342	50,440	456	122,238	106,748
1992.....	387,385	(29,734)	(2,254)		355,397	101,443	53,014	864	155,321	253,954
1993.....	559,710	(28,223)	(2,376)		529,111	207,405	68,528	1,392	277,325	321,706
1994.....	1,020,118	(31,115)	(2,420)		986,583	441,067	94,370	4,224	539,661	545,516
1995.....	42,819,372	(102,261)	(47,382)		42,669,729	41,324,665	162,327	48	41,487,040	1,345,064
TOTAL....	\$45,148,353	\$(203,035)	\$(63,722)	\$(88,500)	\$44,793,096	42,165,094	438,732	7,457	42,611,283	\$2,628,002
				Suspense collections		7,168	9,109		16,277	
				Administrative Fees				140	140	
				TOTAL		\$42,172,262	\$447,841	\$7,597	\$42,627,700	

TOWN OF BRANFORD

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	SEWER ASSESSMENT FUND	WATER ASSESSMENT FUND	DOG FUND	PROGRAM FUND	DAY CARE FUND	EDUCATIONAL GRANTS FUND	CAFETERIA FUND	EFFICIENCY FUND	ENERGY FUND
Cash and cash equivalents	\$ 454,539	\$ 31,090	\$ 7,302	\$64,938	\$380,304	\$ 75,373	\$44,233		\$55,006
Assessments receivable	4,868,543	137,720				45,535	24,985		
Intergovernmental receivables							7,946		
Inventory, at cost									
Due from other funds									
Other assets			3,336						
TOTAL	\$5,323,082	\$168,810	\$10,638	\$64,938	\$380,304	\$120,908	\$77,164		\$55,006

A S S E T S

L I A B I L I T I E S
A N D
F U N D B A L A N C E

Accounts payable	\$ 51	\$ 1,813	\$ 4,374	\$ 75,404	\$113,431
Due to State	3,506				
Due to other funds	28,835	52,746			
Deferred revenue	4,868,543	137,720			
Total liabilities	4,897,378	190,466	3,557	1,813	4,374
Fund balance (deficit):					
Reserved for inventory					7,946
Unreserved:					
Unrestricted and undesignated	425,704	(21,656)	7,081	63,125	375,930
Total fund balance (deficit)	425,704	(21,656)	7,081	63,125	375,930
TOTAL	\$5,323,082	\$168,810	\$10,638	\$64,938	\$380,304
				\$120,908	\$ 77,164
					\$55,006

TOWN OF BRANFORD

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	SMALL CITIES FUND	TOWN AID ROAD FUND	DAY CARE GRANTS FUND	PARK AND RECREATION REVOLVING	SPECIAL PROGRAMS	1997	1996	TOTAL
Cash and cash equivalents	\$11,712	\$405,663	\$9,131	\$39,609	\$4,451	\$1,583,351	\$1,580,664	
Assessments receivable						5,006,263	5,709,242	
Intergovernmental receivables						70,520	27,725	
Inventory, at cost						7,946	10,543	
Due from other funds					2,285	2,285	131,374	
Other assets	26,163					29,499	53,016	
TOTAL	\$37,875	\$405,663	\$9,131	\$39,609	\$6,736	\$6,699,864	\$7,512,564	

ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:								
Accounts payable	\$ 3,236	\$ 32,975				\$ 231,284	\$ 435,346	
Due to State						3,506	3,708	
Due to other funds		96,781				178,362	60,403	
Deferred revenue			\$9,131			5,015,394	5,709,242	
Total liabilities	3,236	129,756	9,131			5,428,546	6,208,699	
Fund balance (deficit):								
Reserved for inventory						7,946	10,543	
Unreserved:								
Unrestricted and undesignated	34,639	275,907		\$39,609	\$6,736	1,263,372	1,293,322	
Total fund balance (deficit)	34,639	275,907		39,609	6,736	1,271,318	1,303,865	
TOTAL	\$37,875	\$405,663	\$9,131	\$39,609	\$6,736	\$6,699,864	\$7,512,564	

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	SEWER ASSESSMENT FUND	WATER ASSESSMENT FUND	DOG FUND	PROGRAM FUND	DAY CARE FUND	EDUCATIONAL GRANTS FUND	CAFETERIA FUND	ENERGY EFFICIENCY FUND
Revenues:								
Intergovernmental revenues						\$673,205	\$159,065	
Assessment income	\$ 789,766	\$ 15,857						
Interest on assessments	509,305	9,531						
Amounts in lieu of assessments								
Investment income	27,894	1,114	\$ 465	\$ 266				\$ 2,211
Sale of food			4,116	119,397	\$531,718			594,109
Sales and services								22,355
Program income	120							35,000
Subsidy								
Other								
Total revenues	1,327,085	26,502	4,581	119,663	531,718	673,205	810,529	2,211
Expenditures:								
Current:								
Public safety			7,787					
Public works and highway	37,018				399,098			
Health and human services								
Parks, recreation and libraries				91,932		674,182		815,558
Education	1,310,220	21,018						
Debt service								
Total expenditures	1,347,308	21,018	7,787	91,932	399,098	674,182	815,558	
Excess (deficiency) of revenues over expenditures ..	(20,223)	5,484	(3,206)	27,731	132,620	(977)	(5,029)	2,211
Fund balance (deficit), July 1,	445,927	(27,140)	10,287	35,394	243,310	45,481	(31,238)	52,795
Fund balance (deficit), June 30,	\$ 425,704	\$(21,656)	\$ 7,081	\$ 63,125	\$375,930	\$ 45,504	\$(36,267)	\$55,006

TOWN OF BRANFORD

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	SMALL CITIES FUND	TOWN AID ROAD FUND	DAY CARE GRANTS FUND	PARK AND RECREATION REVOLVING	SPECIAL PROGRAMS	1997	1996
Revenues:							
Intergovernmental revenues	\$ 54,206	\$144,353	\$126,399		\$ 7,842	\$1,165,070	\$1,441,751
Assessment income						805,623	749,096
Interest on assessments						518,836	530,052
Amounts in lieu of assessments	96	14,661		\$ 387		47,094	69,738
Investment income						594,109	592,797
Sale of food						655,231	647,904
Sales and services				77,511	5,898	105,884	63,196
Program income						35,000	
Subsidy						4,721	
Other							
Total revenues	54,302	159,014	126,399	77,898	18,461	3,931,568	4,263,154
Expenditures:							
Current:							
Public safety						7,787	8,463
Public works and highway		223,462				260,480	250,019
Health and human services	182,157		126,399		11,725	719,379	685,183
Parks, recreation and libraries				63,489		63,489	73,005
Education						1,581,672	1,638,699
Debt service						1,331,308	1,416,418
Total expenditures	182,157	223,462	126,399	63,489	11,725	3,964,115	4,071,787
Excess (deficiency) of revenues over expenditures	(127,855)	(64,448)		14,409	6,736	(32,547)	191,367
Fund balance (deficit), July 1,	162,494	340,355	- 0 -	25,200		1,303,865	1,112,498
Fund balance (deficit), June 30,	\$ 34,639	\$275,907	\$ - 0 -	\$39,609	\$ 6,736	\$1,271,318	\$1,303,865

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1997

	.....SEWER ASSESSMENT FUND.....		.....WATER ASSESSMENT FUND.....		.....DOG FUND.....	
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Revenues:						
Assessment income	\$ 755,000	\$ 789,766	\$ 34,766	\$13,250	\$ 15,857	\$2,607
Interest on assessments	525,000	509,305	(15,695)	9,100	9,117	17
Investment income	26,000	27,894	1,894		1,114	1,114
Sale of Food		120	(61,880)	500	414	(86)
Other income	62,000					
Intergovernmental revenue						
Subsidy						
Total revenues	<u>1,368,000</u>	<u>1,327,085</u>	<u>(40,915)</u>	<u>22,850</u>	<u>26,502</u>	<u>3,652</u>
Expenditures:						
Debt principal	874,500	873,500	1,000	12,000	12,000	
Interest and financing	445,830	436,790	9,040	9,027	9,018	9
Purchasing of food						
Salaries and wages	4,615		4,615			
Rental						
Supplies	500		500			
Other	1,730		1,730			
Legal and advertising	<u>40,825</u>	<u>37,018</u>	<u>3,807</u>			
Total expenditures	<u>1,368,000</u>	<u>1,347,308</u>	<u>20,692</u>	<u>21,027</u>	<u>21,018</u>	<u>9</u>
Excess (deficiency) of revenues over expenditures	\$ - 0 -	(20,223)	<u>\$(20,223)</u>	<u>\$ 1,823</u>	5,484	<u>\$3,661</u>
Fund balance (deficit), July 1, 1996		<u>445,927</u>			<u>(27,140)</u>	<u>10,287</u>
Fund balance (deficit), June 30, 1997		<u>\$ 425,704</u>			<u>\$(21,656)</u>	<u>\$ 7,081</u>

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997

	PROGRAM FUNDS		BOARD OF EDUCATION		DAY CARE FUND	
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Revenues:						
Assessment income						
Interest on assessments		\$ 266	\$ 266			
Amounts in lieu of assessments						
Investment income						
Sale of Food						
Other income	\$131,000	119,397	(11,603)	\$513,263	\$531,718	\$ 18,455
Intergovernmental revenue						
Subsidy						
Total revenues	131,000	119,663	(11,337)	513,263	531,718	18,455
Expenditures:						
Debt principal						
Interest and financing						
Purchasing of food						
Salaries and wages	84,629	43,644	40,985	292,093	255,804	36,289
Rental	3,600	3,600	3,600			
Supplies	4,600	3,012	1,588	29,000	23,828	5,172
Other	32,971	41,001	(8,030)	190,720	118,346	72,374
Legal and advertising	5,200	4,275	925	1,450	1,120	330
Total expenditures	131,000	91,932	39,068	513,263	399,098	114,165
Excess (deficiency) of revenues over expenditures	\$ - 0 -	27,731	\$ 27,731	\$ - 0 -	132,620	\$132,620
Fund balance (deficit), July 1, 1996		35,324			243,310	
Fund balance (deficit), June 30, 1997		\$ 63,125			\$375,930	

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Revenues:						
Assessment income				\$ 768,250	\$ 805,623	\$ 37,373
Interest on assessments				534,100	518,422	(15,678)
Amounts in lieu of assessments						
Investment income				26,000	29,739	3,739
Sale of Food		\$594,109	\$ (5,202)	599,311	594,109	(5,202)
Other income	10,080	22,355	12,275	721,243	678,120	(43,123)
Intergovernmental revenue	127,620	159,065	31,445	127,620	159,065	31,445
Subsidy	35,799	35,000	(799)	35,799	35,000	(799)
Total revenues	772,810	810,529	37,719	2,812,323	2,820,078	7,755
Expenditures:						
Debt principal				886,500	885,500	1,000
Interest and financing				454,857	445,808	9,049
Purchasing of food	278,866	308,467	(29,601)	278,866	308,467	(29,601)
Salaries and wages	417,792	417,516	276	799,129	716,964	82,165
Rental				9,000	5,400	3,600
Supplies	36,011	25	35,986	71,411	27,640	43,771
Other	40,141	89,550	(49,409)	268,562	250,467	18,095
Legal and advertising				47,525	42,455	5,070
Total expenditures	772,810	815,558	(42,748)	2,815,850	2,682,701	133,149
Excess (deficiency) of revenues over expenditures	\$ - 0 -	(5,029)	\$ (5,029)	\$ (3,527)	137,377	\$140,904
Fund balance (deficit), July 1, 1996		(31,238)			676,540	
Fund balance (deficit), June 30, 1997		\$ (36,267)			\$ 813,917	

TOWN OF BRANFORD

SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 1997

DESCRIPTION	UNCOLLECTED JULY 1, 1996	CURRENT YEAR LEVIES	CORRECTIONS TO LEVIES	ADJUSTED UNCOLLECTED BALANCE	ASSESSMENT COLLECTIONS	UNCOLLECTED JUNE 30, 1997
Phase I.....	\$ 138,702			\$ 138,702	\$ 71,388	\$ 67,314
Phase II.....	18			18		
District II.....	248,281	\$ 4,550	\$ (2,682)	250,149	40,754	209,395
District III.....	11,117			11,117	3,152	7,965
District IV.....	301,447	9,000	(18,821)	291,626	54,034	237,592
District V.....	344,529		(3,717)	340,812	66,776	274,036
District VI.....	55,991		10	56,001	11,687	44,314
District VII.....	104,312	2,450	(6,526)	100,236	16,118	84,118
District VIII.....	9,702		(889)	8,813	2,120	6,693
District IX & Pawson Park.....	701,192	21,249	(12,558)	709,883	96,336	613,547
District XI.....	20,183			20,183	1,083	19,100
Miscellaneous Sewer Assessments.....	1,243,046	93,790	(1,091)	1,335,745	219,683	1,116,062
District XII.....	97,242		(13)	97,229	7,862	89,367
Cherry Hill/North Main.....	77,012		(5,468)	71,544	9,556	61,988
East Main/Gould.....	331,490	19,500		350,990	34,386	316,604
Todds Hill Road.....	73,577	5,300		78,877	7,679	71,198
Pine Orchard.....	1,217,190		(4,622)	1,212,568	91,573	1,120,995
High Meadow/Valley Brook.....	68,304			68,304	4,798	63,506
Chestnut/North Main.....	113,063		3,467	116,530	16,925	99,605
Paynes Point.....	31,163			31,163	2,047	29,116
Gould Lane.....	35,608			35,608	1,867	33,741
The Ponds/McDonalds Motel/Orchard Heights/Forest Edge.....	332,239		(28)	332,211	22,924	309,287
Total	\$5,555,408	\$155,839	\$(52,938)	\$5,658,309	789,766	\$4,868,543
Interest on assessments.....					467,852	
Interest on overdue assessments.....					40,422	
Lien fees.....					1,031	
TOTAL.....					\$1,299,071	

TOWN OF BRANFORD

SCHEDULE OF WATER ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 1997

DESCRIPTION	BALANCE JULY 1, 1996	ADJUSTMENTS	PRINCIPAL INTEREST	DELINQUENT INTEREST	COLLECTIONS	ADMINISTRATION FEES	LIENS	TOTAL	BALANCE UNCOLLECTED JUNE 30, 1997
Ramblewood/Buttermilk.....	\$125,817	\$(112)	\$13,464	\$6,930	\$725	\$300	\$24	\$21,443	\$112,241
Collins Drive.....	3,790	(145)	143	8		10		161	3,502
Marbar Street.....	24,227		2,250	1,454		80		3,784	21,977
TOTAL	<u>\$153,834</u>	<u>\$(257)</u>	<u>\$15,857</u>	<u>\$8,392</u>	<u>\$725</u>	<u>\$390</u>	<u>\$24</u>	<u>\$25,388</u>	<u>\$137,720</u>

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	BOARD OF EDUCATION OFFICE RENOVATION	ROAD CONSTRUCTION	BLACKSTONE LIBRARY RENOVATION	SUPPLY POND DAM
Cash and cash equivalents.....		\$15,273	\$20,024	
Intergovernmental receivable.....				
Due from other funds.....	\$4,411	55,492		
Other.....				
TOTAL	\$4,411	\$70,765	\$20,024	\$ - 0 -

A S S E T S

L I A B I L I T I E S
A N D
F U N D B A L A N C E

Liabilities:	
Accounts payable.....	
Due to other funds.....	
Bond anticipation notes payable.....	
Total liabilities.....	
Fund balance (deficit):	
Reserved for encumbrances.....	
Designated for specific purposes.....	\$20,024
Unreserved and undesignated.....	
Total fund balance (deficit)	20,024
TOTAL	\$20,024

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	REVITALIZATION	SENIOR CENTER RENOVATION	ELEMENTARY SCHOOL RENOVATION	POLICE STATION	TRANSFER STATION CONSTRUCTION	CLARIFIER FUND
<u>A S S E T S</u>						
Cash and cash equivalents.....	\$8,669	\$(325)	\$11,765	\$ 86,107	\$6,756	
Intergovernmental receivable.....		438		19,639		
Due from other funds.....						
Other.....						
TOTAL	\$8,669	\$ 113	\$11,765	\$105,746	\$6,756	\$ - 0 -
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts payable.....						\$ 102,909
Due to other funds.....						
Bond anticipation notes payable.....						
Total liabilities.....						102,909
Fund balance (deficit):						
Reserved for encumbrances.....	\$8,669	\$113	\$11,765	\$105,746	\$6,756	
Designated for specific purposes.....						(102,909)
Unreserved and undesignated.....	8,669	113	11,765	105,746	6,756	(102,909)
Total fund balance (deficit).....	\$8,669	\$113	\$11,765	\$105,746	\$6,756	\$ - 0 -

(Continued) - 2.

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	LEETES ISLAND WATER	CLEAN WATER	LEETES ISLAND "NON-CORE"	LEETES ISLAND "CORE"	GOULD LANE SEWERS	PARK REVITALIZATION	COMPUTER SYSTEM UPGRADE
Cash and cash equivalents.....							\$ 284
Intergovernmental receivable.....							
Due from other funds.....	533						20,152
Other.....							
TOTAL	\$32,131	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$20,436

A S S E T S

L I A B I L I T I E S
A N D
F U N D B A L A N C E

Liabilities:							
Accounts payable.....				\$ 26			\$ 4,590
Due to other funds.....		\$ 18,851		503,312			
Bond anticipation notes payable.....							
Total liabilities		18,851		503,338			4,590
Fund balance (deficit):							
Reserved for encumbrances.....							15,846
Designated for specific purposes.....	\$32,131			(503,338)			
Unreserved and undesignated.....		(18,851)					
Total fund balance (deficit)	32,131	(18,851)		(503,338)			15,846
TOTAL	\$32,131	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$20,436

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	TROLLEY TRAIL WALKWAY	SIDEWALKS AND CURBS	BLACKSTONE LIBRARY PHASE II	WASTE WATER DESIGN FUND	AMBULANCE FUND	FIRE APPARATUS FUND
Cash and cash equivalents.....	\$7,482		\$2,942		\$748	\$ 14
Intergovernmental receivable.....		\$153,550				130,709
Due from other funds.....						
Other.....						
TOTAL	\$7,482	\$153,550	\$2,942	\$ - 0 -	\$748	\$130,723

A S S E T S

LIABILITIES
AND
FUND BALANCE

Liabilities:						
Accounts payable.....			\$ 104,800		\$ 973	\$ 143,740
Due to other funds.....			552,755	\$ 77,274		245,000
Bond anticipation notes payable.....						
Total liabilities.....			657,555	77,274	973	388,740
Fund balance (deficit):						
Reserved for encumbrances.....			95,025			
Designated for specific purposes.....	\$7,482	\$153,550	(749,638)	(77,274)	(225)	(258,017)
Unreserved and undesignated.....						
Total fund balance (deficit).....	7,482	153,550	(654,613)	(77,274)	(225)	(258,017)
TOTAL	\$7,482	\$153,550	\$ 2,942	\$ - 0 -	\$ 748	\$ 130,723

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	PINE GUTTER BROOK	HIGH SCHOOL RENOVATIONS	TECHNOLOGY UPGRADE PROJECT	BUILDING RENOVATION	1996 CAPITAL PROJECTS	1997	.....TOTAL.....
Cash and cash equivalents.....			\$34,195		\$(13,177)	\$ 212,355	\$1,155,385
Intergovernmental receivable.....							35,300
Due from other funds.....		\$3,882,139			64,341	4,331,404	794,818
Other.....							400
TOTAL	\$ - 0 -	\$3,882,139	\$34,195	\$ - 0 -	\$ 51,164	\$4,543,759	\$1,985,903

A S S E T S

L I A B I L I T I E S
A N D
F U N D B A L A N C E

Liabilities:							
Accounts payable.....	\$ 25,771	\$ 1,895,004			\$10,918	\$ 2,160,051	\$ 922,986
Due to other funds.....						1,280,872	1,937,088
Bond anticipation notes payable.....						245,000	
Total liabilities	25,771	1,895,004			10,918	3,685,923	2,860,074
Fund balance (deficit):							
Reserved for encumbrances.....		7,190,616				7,285,641	7,451,582
Designated for specific purposes.....			\$34,195			471,453	1,044,878
Unreserved and undesignated.....	(25,771)	(5,203,481)			40,246	(6,899,258)	(9,370,631)
Total fund balance (deficit)	(25,771)	1,987,135	34,195		40,246	857,836	(874,171)
TOTAL	\$ - 0 -	\$ 3,882,139	\$34,195	\$ - 0 -	\$51,164	\$ 4,543,759	\$ 1,985,903

(Concluded) - 5.

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	BOARD OF EDUCATION OFFICE RENOVATION	ROAD CONSTRUCTION	BLACKSTONE LIBRARY RENOVATION	SUPPLY POND DAM
Revenues:				
Investment income.....			\$ 868	
Intergovernmental revenues.....				
Other income.....				
Total revenues			868	
Expenditures:				
Capital outlay.....			868	
Excess (deficiency) of revenues over expenditures.				
Other financing sources (uses):				
Proceeds from bonds.....				
Operating transfers in.....				
Operating transfers out.....				\$ (3,756)
Total other financing sources (uses)				(3,756)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....			868	(3,756)
Fund balance (deficit), July 1,.....	\$4,411	\$70,765	19,156	3,756
Fund balance (deficit), June 30,.....	\$4,411	\$70,765	\$20,024	\$ - 0 -

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	REVITALIZATION	SENIOR CENTER RENOVATION	ELEMENTARY SCHOOL RENOVATION	POLICE STATION	TRANSFER STATION CONSTRUCTION	CLARIFIER FUND
Revenues:						
Investment income.....	\$ 292	\$ 474	\$ 271			
Intergovernmental revenues.....						
Other income.....	\$ 113	\$ 20,820				
Total revenues.....	292	474	271	20,820		
Expenditures:						
Capital outlay.....	2,169	325	60,075			
Excess (deficiency) of revenues over expenditures.	(1,877)	(212)	474	(39,255)	271	
Other financing sources (uses):						
Proceeds from bonds.....						
Operating transfers in.....						
Operating transfers out.....						
Total other financing sources (uses).....						
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,877)	(212)	474	(39,255)	271	
Fund balance (deficit), July 1,.....	10,546	325	11,291	145,001	6,485	\$ (102,909)
Fund balance (deficit), June 30,.....	\$ 8,669	\$ 113	\$ 11,765	\$ 105,746	\$ 6,756	\$ (102,909)

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	LEETES ISLAND WATER	CLEAN WATER	LEETES ISLAND "NON-CORE"	LEETES ISLAND "CORE"	GOULD LANE SEWERS	PARK REVITALIZATION	COMPUTER SYSTEM UPGRADE
Revenues:							
Investment income.....						\$ 53	
Intergovernmental revenues.....			\$ 317,825		\$ 39,000		
Other income.....	\$ 533						
Total revenues.....	533		317,825		39,000	53	
Expenditures:							
Capital outlay.....			11,342	\$ 1,507			\$ 142,269
Excess (deficiency) of revenues over expenditures.	533		306,483	(1,507)	39,000	53	(142,269)
Other financing sources (uses):							
Proceeds from bonds.....			67,513	(67,513)		(2,046)	130,000
Operating transfers in.....							
Operating transfers out.....							
Total other financing sources (uses).....			67,513	(67,513)		(2,046)	130,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	533		373,996	(69,020)	39,000	(1,993)	(12,269)
Fund balance (deficit), July 1,.....	31,598	\$ (18,851)	(373,996)	(434,318)	(39,000)	1,993	28,115
Fund balance (deficit), June 30,.....	\$32,131	\$ (18,851)	\$ - 0 -	\$ (503,338)	\$ - 0 -	\$ - 0 -	\$ 15,846

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	TROLLEY TRAIL WALKWAY	SIDEWALKS AND CURBS	BLACKSTONE LIBRARY PHASE II	WASTE WATER DESIGN FUND	AMBULANCE FUND	FIRE APPARATUS FUND
Revenues:						
Investment income.....	\$ 331				\$ 134	\$ 215
Intergovernmental revenues.....					1,016	
Other income.....						
Total revenues.....	331				1,150	215
Expenditures:						
Capital outlay.....	1,401	\$ 5,700	\$ 2,461,375	\$ 17,190	83,472	460,460
Excess (deficiency) of revenues over expenditures.	(1,070)	(5,700)	(2,461,375)	(17,190)	(82,322)	(460,245)
Other financing sources (uses):						
Proceeds from bonds.....			600,000			
Operating transfers in.....			1,282,000		38,000	90,000
Operating transfers out.....						
Total other financing sources (uses).....			1,882,000		38,000	90,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,070)	(5,700)	(579,375)	(17,190)	(44,322)	(370,245)
Fund balance (deficit), July 1,.....	8,552	152,250	(75,238)	(60,084)	44,097	112,228
Fund balance (deficit), June 30,.....	\$ 7,482	\$153,550	\$ (654,613)	\$ (77,274)	\$ (225)	\$ (258,017)

TOWN OF BRANFORD

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	PINE GUTTER BROOK	HIGH SCHOOL RENOVATIONS	TECHNOLOGY UPGRADE PROJECT	BUILDING RENOVATION	1996 CAPITAL PROJECTS	TOTAL.....	1996	1997	TOTAL.....
Revenues:									
Investment income.....			\$ 1,416				\$ 4,054	\$	72,745
Intergovernmental revenues.....							317,825		553,396
Other income.....	\$ 1,023						62,505		153,760
Total revenues.....	1,023		1,416				384,384		779,901
Expenditures:									
Capital outlay.....		\$ 7,122,018	47,658	\$ 30,277	\$ 364,515		10,811,753		5,080,820
Excess (deficiency) of revenues over expenditures.	1,023	(7,122,018)	(46,242)	(30,277)	(364,515)		(10,427,369)		(4,300,919)
Other financing sources (uses):									
Proceeds from bonds.....		10,000,000					10,600,000		5,470,000
Operating transfers in.....						25,178	1,632,691		1,230,363
Operating transfers out.....							(73,315)		(105,547)
Total other financing sources (uses).....		10,000,000				25,178	12,159,376		6,594,816
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,023	2,877,982	(46,242)	(30,277)	(339,337)		1,732,007		2,293,897
Fund balance (deficit), July 1,.....	(26,794)	(890,847)	80,437	30,277	379,583		(874,171)		(3,168,068)
Fund balance (deficit), June 30,.....	\$(25,771)	\$ 1,987,135	\$ 34,195	\$ - 0 -	\$ 40,246		\$ 857,836		\$ (874,171)

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

		WILLOUGHBY WALLACE MEMORIAL LIBRARY FUND	TOURISM FUND	MUNICIPAL RESERVE	TOTAL
.....EXPENDABLE TRUST FUNDS.....					
CASH AND CASH EQUIVALENTS	\$32,750	\$ 9,205	\$14,188	\$215	\$ 56,358
INVESTMENTS		327,619			327,619
ACCOUNTS RECEIVABLE					
TOTAL	\$32,750	\$336,824	\$14,188	\$215	\$383,977

A S S E T S

L I A B I L I T I E S
A N D
F U N D B A L A N C E

Accounts payable	\$ 1,691			\$ 1,691
Due to other funds	708			708
Due to students, employees, and others				
Total liabilities	2,399			2,399
Fund balance:				
Reserved for pension benefits				
Reserved for trust principal	30,351	\$336,824	\$14,188	\$215
Unreserved and undesignated	30,351	336,824	14,188	215
Total fund balance	\$32,750	\$336,824	\$14,188	\$215
TOTAL	\$32,750	\$336,824	\$14,188	\$215

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

PENSION		NONEXPENDABLE TRUST FUNDS			
.TRUST FUND..		DAMASCUS	LESHINE	CASPAR BLOCK	GUSTAF NELSON
POLICE	CEMETERY	SCHOLARSHIP	SCHOLARSHIP	SCHOLARSHIP	MEMORIAL
FUND	TOTAL	FUND	FUND	FUND	FUND
\$ (213)	\$23,981	\$5,601	\$5,844		\$31,036
5,753,024	1,249				
3,422					
<u>\$5,756,233</u>	<u>\$25,230</u>	<u>\$5,601</u>	<u>\$5,844</u>		<u>\$31,036</u>

A S S E T S

Cash and cash equivalents	
Investments	
Accounts receivable	
<u>TOTAL</u>	<u>\$5,756,233</u>

L I A B I L I T I E S
A N D
F U N D B A L A N C E

Liabilities:	
Accounts payable	\$ 500
Due to other funds	
Due to students, employees, and others	
Total liabilities	500
Fund balance:	
Reserved for pension benefits	\$30,000
Reserved for trust principal	844
Unreserved and undesignated	1,036
Total fund balance	31,036
<u>TOTAL</u>	<u>\$5,756,233</u>

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

.....NONEXPENDABLE TRUST FUNDS.....	AGENCY FUNDS.....				
JOHN B. HART FUND	CASPAR BLOCK SPECIAL RECREATION GRANT	BRANFORD CONSERVATION COMMISSION	SHELLFISH COMMISSION	ACADEMY-ON-THE-GREEN	VOLUNTEER FIREMENS' PENSION FUND	
	TOTAL					
Cash and cash equivalents	\$130,214	\$70,719	\$267,395		\$ 431	
Investments			1,249	\$26,363	152,723	
Accounts receivable						
TOTAL	\$130,214	\$70,719	\$268,644	\$6,556	\$153,154	
A S S E T S						
Liabilities:						
Accounts payable						
Due to other funds						
Due to students, employees, and others						
Total liabilities	500	1,091	6,556	26,363	153,154	
Fund balance:						
Reserved for pension benefits	\$100,000	\$59,920	200,420			
Reserved for trust principal	30,214	10,799	67,724			
Unreserved and undesignated						
Total fund balance	130,214	70,719	268,144	\$6,556	\$153,154	
TOTAL	\$130,214	\$70,719	\$268,644	\$1,091	\$153,154	

L I A B I L I T I E S
A N D
F U N D B A L A N C E

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	.....AGENCY FUNDS.....				TOTAL.....
	COMMISSION ON SERVICES FOR THE ELDERLY	BOARD OF EDUCATION HEALTH FUND	EMPLOYEE SECTION 457 PLAN	STUDENT ACTIVITY FUNDS	TOTAL
	1997	1997	1997	1997	1996
Cash and cash equivalents	\$55,754	\$5,248	\$328,094	\$289,114	\$384,557
Investments					\$ 708,097
Accounts receivable					6,562,709
					3,422
TOTAL.....	\$55,754	\$5,248	\$328,094	\$289,114	\$865,374
					\$7,274,228
					\$5,644,479
<u>A S S E T S</u>					
L I A B I L I T I E S					
A N D					
<u>F U N D B A L A N C E</u>					
Liabilities:					
Accounts payable					\$ 2,191
Due to other funds	\$ 438			\$ 81,092	\$ 81,530
Due to students, employees, and others	55,316	\$5,248	\$328,094	208,022	783,844
Total liabilities.....	55,754	5,248	328,094	289,114	868,273
Fund balance:					
Reserved for pension benefits					5,756,233
Reserved for trust principal					200,420
Unreserved and undesignated					442,302
Total fund balance.....					6,405,955
TOTAL.....	\$55,754	\$5,248	\$328,094	\$289,114	\$865,374
					\$7,274,228
					\$5,644,479

TOWN OF BRANFORD

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	WILLOUGHBY WALLACE MEMORIAL LIBRARY FUND	TOURISM FUND	MUNICIPAL RESERVE	1997	1996
Revenues:					
Investment income	\$ 1,483	\$ 603	\$ 131	\$ 21,196	\$ 21,653
Donations and grants	16,014			22,922	40,283
Total revenues	17,497	603	131	44,118	61,936
Expenditures:					
Health and human services	13,108			13,108	44,095
Parks, recreation and libraries	10,199	2,522		12,721	14,387
Capital outlay					12,813
Total expenditures	13,108	2,522		25,829	71,295
Excess (deficiency) of revenues over expenditures	4,389	(1,919)	131	18,289	(9,359)
Fund balance, July 1,	25,962	16,107	84	363,289	372,648
Fund balance, June 30,	\$30,351	\$14,188	\$215	\$381,578	\$363,289

TOWN OF BRANFORD

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	DAMASCUS FUND	LESHINE SCHOLARSHIP FUND	CASPAR BLOCK SCHOLARSHIP FUND	GUSTAF NELSON MEMORIAL FUND	JOHN B. HART FUND	CASPAR BLOCK SPECIAL RECREATION FUND	.....TOTAL.....
							1996 1997
Revenues:							
Investment income	\$ 995	\$ 234	\$ 243	\$ 599	\$ 5,233	\$ 4,197	\$ 11,501 \$ 15,461
Donations and contributions				20,000			20,000
Total revenues	995	234	243	20,599	5,233	4,197	31,501 15,461
Expenses:							
Scholarships	500	250	250	500		17,572	1,000 1,000
Maintenance	500	250	250	500		17,572	18,072 500
Total expenses	1,000	500	500	1,000		17,572	19,072 1,500
Net income (loss)	495	(16)	(7)	20,099	5,233	(13,375)	12,429 13,961
Fund balance, July 1,	24,235	5,617	5,851	10,937	124,981	84,094	255,715 241,754
Fund balance, June 30,	\$24,730	\$5,601	\$5,844	\$31,036	\$130,214	\$ 70,719	\$268,144 \$255,715

TOWN OF BRANFORD

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997 WITH COMPARATIVE TOTALS FOR 1996

	DAMASCUS FUND	LESHINE FUND	CASPAR BLOCK SCHOLARSHIP FUND	GUSTAF NELSON MEMORIAL FUND	JOHN B. HART FUND	CASPAR BLOCK SPECIAL RECREATION GRANT	1996	1997	TOTAL
Cash flows from operating activities:									
Payments for scholarship and other	\$ (250)	\$ (250)	\$ (250)	\$ (500)			\$ (17,572)	\$ (18,572)	\$ (1,500)
Cash from contributions				20,000			20,000	20,000	
Net cash provided (used) by operating activities	(250)	(250)	(250)	19,500			(17,572)	1,428	(1,500)
Cash flows from investing activities:									
Interest income	\$ 995	234	243	599	\$ 5,233	4,197	11,501	15,461	
Purchase of investments								(4,036)	
Sale of investments						83,917	83,917		
Net cash provided by investing activities	995	234	243	599	5,233	88,114	95,418	11,425	
Net increase (decrease) in cash and cash equivalents	995	(16)	(7)	20,099	5,233	70,542	96,846	9,925	
Cash and cash equivalents at beginning of year	22,986	5,617	5,851	10,937	124,981	177	170,549	160,624	
Cash and cash equivalents at end of year	\$23,981	\$5,601	\$5,844	\$31,036	\$130,214	\$ 70,719	\$267,395	\$170,549	
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Net income (loss)	\$ 495	\$ (16)	\$ (7)	\$20,099	\$ 5,233	\$ (13,375)	\$ 12,429	\$ 13,961	
Adjustments to reconcile net income to net cash provided (used) by operating activities:									
Interest income included in operating income	(995)	(234)	(243)	(599)	(5,233)	(4,197)	(11,501)	(15,461)	
Increase in accounts payable	500						500		
Net cash provided (used) by operating activities	\$ -0-	\$ (250)	\$ (250)	\$19,500	\$ -0-	\$ (17,572)	\$ 1,428	\$ (1,500)	

TOWN OF BRANFORD

AGENCY FUND

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1997

	BALANCE JULY 1, 1996	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1997
<u>BRANFORD CONSERVATION COMMISSION</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$1,042	\$49	\$-0-	\$1,091
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$1,042	\$49	\$-0-	\$1,091
<u>SHELLFISH COMMISSION</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$5,306	\$1,250	\$-0-	\$6,556
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$5,306	\$1,250	\$-0-	\$6,556
<u>BOARD OF EDUCATION HEALTH FUND</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$5,637	\$5,300	\$5,689	\$5,248
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$5,637	\$5,300	\$5,689	\$5,248
<u>ACADEMY-ON-THE-GREEN</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$24,186	\$3,023	\$846	\$26,363
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$24,186	\$3,023	\$846	\$26,363

TOWN OF BRANFORD
 AGENCY FUND
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, ETC.

	BALANCE JULY 1, 1996	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1997
<u>VOLUNTEER FIREMENS' PENSION FUND</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 497		\$66	\$ 431
Investments	131,253	\$21,470		152,723
TOTAL ASSETS	\$131,750	\$21,470	\$66	\$153,154
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$131,750	\$21,470	\$66	\$153,154
<u>COMMISSION ON SERVICES FOR THE ELDERLY</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$55,278	\$341,307	\$340,831	\$55,754
Accounts receivable	100		100	
TOTAL ASSETS	\$55,378	\$341,307	\$340,931	\$55,754
<u>LIABILITIES</u>				
Due to other funds	\$ 438			\$ 438
Due to students, employees and other groups	\$55,378	340,859	\$340,931	55,316
TOTAL LIABILITIES	\$55,378	\$341,307	\$340,931	\$55,754
<u>EMPLOYEE SECTION 457 PLAN</u>				
<u>ASSETS</u>				
Investments	\$240,442	\$125,463	\$37,811	\$328,094
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$240,442	\$125,463	\$37,811	\$328,094

TOWN OF BRANFORDSCHEDULE OF GENERAL FIXED ASSETS
JUNE 30, 1997

General fixed assets:	
Land.....	\$ 5,789,590
Buildings.....	25,311,500
Equipment and personal property.....	16,726,344
Construction in progress.....	<u>7,500,299</u>
Total general fixed assets	<u>\$55,327,733</u>
Total investment in general fixed assets.....	<u>\$55,327,733</u>
