



*General-Purpose Financial
Statements and
Supplemental Schedules*

Town of Branford

Year Ended June 30, 2002
With Independent Auditors' Report



Scully & Wolf, LLP
*Certified Public Accountants
and Consultants*

TOWN OF BRANFORD

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Scully & Wolf, LLP / Certified Public Accountants / Glastonbury, Connecticut 06033

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, 2002 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, 2002 and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2002 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 G-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.

November 6, 2002

Scully + Wolf LLP

**General Purpose
Financial Statements**

TOWN OF BRANFORD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	LONG-TERM DEBT		
ASSETS AND OTHER DEBITS									
Assets:									
Cash and cash equivalents	\$17,927,750	\$2,281,780	\$ 486,129	\$432,284	\$ 864,836			\$ 21,992,779	
Investments					8,868,384			8,868,384	
Receivables:									
Taxes	4,181,043							4,181,043	
Assessments		2,725,695						2,725,695	
Intergovernmental	37,164	39,637	86,147					162,948	
Other	577,741	45,910			3,289			626,940	
Due from other funds	300,053	36,091	3,979,032	49,770				4,364,946	
Inventory		8,794						8,794	
Other assets	58,320							58,320	
Fixed assets						\$81,076,374		81,076,374	
Other debits:									
Amount to be provided from State grants							\$ 8,074,540	8,074,540	
Amount to be provided from taxation							44,041,156	44,041,156	
TOTAL	\$23,082,071	\$5,137,907	\$4,551,308	\$482,054	\$9,736,509	\$81,076,374	\$52,115,696	\$176,181,919	
LIABILITIES AND EQUITY									
OTHER CREDIT									
Liabilities:									
Accounts payable and accrued expenses	\$ 2,594,734	\$ 488,166	\$ 1,176,684	\$ 7,333	\$ 21,015			\$ 4,287,932	
Accrued termination benefits payable								5,685,115	
Due to other funds	3,875,062	241,557	59,520		188,807			4,364,946	
Due to student and other groups					749,035			749,035	
Deferred revenues	4,606,775	2,734,790						7,341,565	
Clean water notes payable			18,389,521					18,389,521	
General obligation bonds and notes payable								43,523,652	
Other liabilities	828,767			650,745				1,450,000	
Net pension obligation								1,456,929	
Total liabilities	11,905,338	3,464,513	19,625,725	658,078	958,857			52,115,696	
Equity and other credits:									
Investments in general fixed assets									81,076,374
Retained earnings (deficit)				(176,024)					(176,024)
Fund balance (deficit):									
Reserved	374,881	8,794	3,631,296		8,432,943			12,447,914	
Unreserved:									
Designated	2,000,000	81,228	1,902,075					3,983,303	
Undesignated	8,801,852	1,583,372	(20,607,788)		344,709			(9,877,855)	
Total equity and other credits	11,176,733	1,673,394	(15,074,417)	(176,024)	8,777,652			87,453,712	
TOTAL	\$23,082,071	\$5,137,907	\$ 4,551,308	\$ 482,054	\$9,736,509	\$81,076,374	\$52,115,696	\$176,181,919	

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, 2002

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	FIDUCIARY FUND TYPE. EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)
Revenues:					
Taxes	\$56,962,877				\$56,962,877
Assessments		\$1,069,443			1,069,443
Intergovernmental revenues	5,783,023	3,218,265	\$ 1,239,490		10,240,778
Licenses, permits and other departments	2,918,987				2,918,987
Donations and grants		32,729	4,321	\$ 83,465	83,465
Investment income	752,988	1,734,712		15,779	805,817
Sales and services	1,952,503	445,429	4,692		1,734,712
Other				1,336	2,402,624
Net realized/unrealized gains					1,336
Total revenues	68,370,378	6,500,578	1,248,503	100,580	76,220,039
Expenditures:					
Current:					
General government	2,792,717	488,749			3,281,466
Public safety	7,124,910	201,632			7,326,542
Public works and highway	6,070,480	431,741			6,502,221
Parks, recreation and libraries	1,623,665	474,597		26,316	2,124,578
Health and human services	1,239,551	584,949		82,591	1,907,091
Education	35,155,560	3,405,857			38,561,417
Pension and insurance	4,468,505		10,481,240		4,468,505
Capital outlay	1,210,185				11,691,425
Debt service	5,828,918	924,485			6,753,403
Total expenditures	65,514,491	6,512,010	10,481,240	108,907	82,616,648
Excess (deficiency) of revenues over expenditures	2,855,887	(11,432)	(9,232,737)	(8,327)	(6,396,609)
Other financing sources (uses):					
Operating transfers in	(620,282)	215,300	794,052		1,009,352
Operating transfers out		(4,444)	(907)		(1,009,352)
Total other financing sources (uses)	(620,282)	210,856	793,145	(383,719)	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,235,605	199,424	(8,439,592)	(392,046)	(6,396,609)
Fund balance (deficit), July 1, 2001	8,941,128	1,473,970	(6,634,825)	618,597	4,398,870
Fund balance (deficit), June 30, 2002	\$11,176,733	\$1,673,394	\$(15,074,417)	\$ 226,551	\$(1,997,739)

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

TOWN OF BRANFORD

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, 2002

	.....GENERAL FUND.....	.....SPECIAL REVENUE FUNDS.....	VARIANCE FAVORABLE (UNFAVORABLE)	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes	\$55,923,437	\$56,962,877	\$1,039,440	\$ 743,005	\$1,069,443	\$ 326,438
Assessments	3,863,926	4,288,167	424,241			
Intergovernmental revenues	2,269,950	2,918,987	649,037			
Licenses, permits and other departments	992,686	752,988	(239,698)	16,055	7,849	(8,206)
Investment income				20,000	20,000	
Sales and services	716,614	1,952,503	1,235,889	842,242	682,339	(159,903)
Other						
Total revenues	63,766,613	66,875,522	3,108,909	1,621,302	1,779,631	158,329
Expenditures:						
Current:						
General government	2,859,650	2,779,110	80,540			
Public safety	7,343,924	7,150,619	193,305			
Public works and highway	6,219,907	6,079,654	140,253	43,750	25,984	17,766
Parks, recreation and libraries	1,644,724	1,623,665	21,059	51,255	30,060	21,195
Health and human services	1,263,027	1,250,849	12,178	757,142	562,398	194,744
Education	33,913,257	33,660,704	252,553	100,100	78,144	21,956
Pension and insurance	4,514,212	4,470,493	43,719			
Capital outlay	1,057,418	1,055,168	2,250			
Debt service	5,830,212	5,828,918	1,294	924,486	924,485	1
Total expenditures	64,646,331	63,899,180	747,151	1,876,733	1,621,071	255,662
Excess (deficiency) of revenues over expenditures	(879,718)	2,976,342	3,856,060	(255,431)	158,560	413,991
Other financing sources (uses):						
Operating transfers in				30,300	30,300	
Operating transfers out	(620,282)	(620,282)				
Total other financing sources uses	(620,282)	(620,282)		30,300	30,300	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(1,500,000)	2,356,060	\$3,856,060	\$ (225,131)	188,860	\$ 413,991
Revenues, expenditures and transfers non-budgetary funds						
Fund balance, July 1, 2001		8,445,792			10,564	
					1,473,970	
Fund balance, June 30, 2002		\$10,801,852			\$1,673,394	

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

TOWN OF BRANFORD

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	PROPRIETARY ..FUND TYPE.. INTERNAL SERVICE FUND	FIDUCIARY ..FUND TYPES.. NONEXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)
Operating revenues:			
Investment income:			
Interest and dividends		\$ 8,901	\$ 8,901
Net unrealized gains (losses)		(15,166)	(15,166)
Contributions for benefits	\$ 713,830		713,830
Total operating revenues	713,830	(6,265)	707,565
Operating expenses:			
Scholarships		1,000	1,000
Maintenance		1,580	1,580
Expendable equipment		1,855	1,855
Building improvements		135,978	135,978
Benefit claims	678,492		678,492
Administration	136,482		136,482
Total operating expenses	814,974	140,413	955,387
Operating income (loss)	(101,144)	(146,678)	(247,822)
Nonoperating income - interest income	16,746		16,746
Net income (loss)	(84,398)	(146,678)	(231,076)
Retained earnings/fund balance (deficit), June 30, 2001	(91,626)	369,831	278,205
Retained earnings/fund balance (deficit), June 30, 2002	\$(176,024)	\$ 223,153	\$ 47,129

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

TOWN OF BRANFORD

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	PROPRIETARY .. FUND TYPE.. INTERNAL SERVICE FUND	FIDUCIARY .. FUND TYPES.. NONEXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)
Cash flows from operating activities:			
Payments for scholarships and other	\$ 664,060	\$ (123,888)	\$ (123,888)
Cash received for benefits	(528,172)		664,060
Payments for benefits and administration			(528,172)
Total cash flows from operating activities	135,888	(123,888)	12,000
Cash flows from investing activities:			
Interest income	16,746	8,901	25,647
Realized losses		(2,948)	(2,948)
Total cash flows from investing activities	16,746	5,953	22,699
Net increase (decrease) in cash and cash equivalents	152,634	(117,935)	34,699
Cash and cash equivalents, July 1, 2001	279,650	281,677	561,327
Cash and cash equivalents, June 30, 2002	\$ 432,284	163,742	\$ 596,026
Other Trust and Agency Funds:			
Cash and cash equivalents, June 30, 2002:			
Expendable Trust Funds		80,312	80,312
Pension Trust Fund		(3,908)	(3,908)
Agency Funds		624,690	624,690
Total All Trust and Agency Funds		\$ 864,836	\$ 864,836
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (101,144)	\$ (146,678)	\$ (247,822)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Investment (income) loss included in operating income		6,265	6,265
Changes in balance sheet accounts:			
Increase in payables	286,802	16,525	303,327
(Increase) in receivables	(49,770)		(49,770)
Net cash provided (used) by operating activities	\$ 135,888	\$ (123,888)	\$ 12,000
Noncash transactions:			
Net unrealized gains		\$ 12,218	\$ 12,218

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

TOWN OF BRANFORDSTATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2002

Additions:	
Contributions:	
Employer.....	\$ 694,975
Plan members.....	<u>160,154</u>
Total contributions.....	855,129
Investment income:	
Net depreciation in fair value of investments	\$(1,313,198)
Interest and dividends.....	<u>282,885</u>
Net investment income.....	<u>(1,030,313)</u>
Total additions	(175,184)
Deductions:	
Benefits.....	467,264
Administration.....	<u>71,698</u>
Total deductions	<u>538,962</u>
Net increase (decrease).....	(714,146)
Net assets held in trust for pension benefits, July 1, 2001....	<u>9,042,094</u>
Net assets held in trust for pension benefits, June 30, 2002...	<u>\$ 8,327,948</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, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. 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. Agency Funds are custodial in nature and do not involve measurement of results or operations.

Proprietary Fund

Proprietary Funds are used to account for activities similar to those found in the private sector.

Internal Service Fund – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The Town has two Internal Service Funds to account for the self insurance activities related to workers' compensation benefits and health benefits.

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 internal service funds, 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 internal service funds, 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, Open Space Fund, Board of Education Program Fund and Day Care). As required by Town Charter, the Board of Finance holds a public hearing to review and discuss the proposed annual Town budget no later than two weeks before the Annual Budget Meeting of the 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. There was a supplemental appropriation of \$35,000 this year funded through increased ambulance operations revenue. There were no appropriations from fund balance.

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

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, 2002 follows:

	.....General Fund.....	
	Revenues and <u>Transfers In</u>	Expenditures and <u>Transfers Out</u>
GAAP basis, Exhibit II.....	\$68,370,378	\$66,134,773
Encumbrances:		
June 30, 2001.....		(495,336)
June 30, 2002.....		374,881
State on-behalf payments for teacher retirement	(1,259,200)	(1,259,200)
Special education excess cost grants.....	<u>(235,656)</u>	<u>(235,656)</u>
Non-GAAP budgetary basis, Exhibit III.....	<u>\$66,875,522</u>	<u>\$64,519,462</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.....	
	Revenues and <u>Transfers In</u>	Expenditures and <u>Transfers Out</u>
GAAP basis, Exhibit II.....	\$ 6,715,878	\$ 6,516,454
Non-budgeted funds	<u>(4,905,947)</u>	<u>(4,895,383)</u>
Non-GAAP budgetary basis, Exhibit III.....	<u>\$ 1,809,931</u>	<u>\$ 1,621,071</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 fair value for all funds.

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, 2002. 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 waste 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 \$756,727 this year. General Fund unreserved, undesignated fund balance for fiscal year ended June 30, 2002 as reflected in the BRRFOC's financial statements is \$8.1 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

On May 15, 1995, 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 \$52,980,000.

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. Fund Balance – Reservations and Designations

Descriptions of the various reservations and designations of the Town's fund equity accounts are as follows:

Reserved for Inventory – to segregate an amount equal to the inventory in the asset section of the balance sheet.

Reserved for Encumbrances – to segregate a portion of fund balance for expenditure upon vendor performance.

Reserved for Trust Fund Purposes – to segregate a portion of fund balance which is nonexpendable.

Reserved for Employee Pension Benefits – to segregate a portion of fund balance to be used to finance future payments of pension benefits to retired employees.

Designated for Specific Programs – to segregate a portion of fund balance designated by the town for that program.

Designated for Subsequent Year – to segregate a portion of fund balance designated by the Town for subsequent year's budgeted expenditures.

A summary of reserved fund balances at June 30, 2002 is presented below:

General Fund:	
Reserved for Encumbrances	\$ 374,881
Special Revenue Funds:	
Reserved for Inventory	8,794
Capital Projects Fund:	
Reserved for Encumbrances	3,631,296
Trust and Agency Funds:	
Reserved for Trust Fund Purposes.....	104,995
Reserved for Employee Pension Benefits	<u>8,327,948</u>
 TOTAL	 <u>\$12,447,914</u>

A summary of designated fund balances is presented below:

General Fund:	
Designated for subsequent year	\$2,000,000
Special Revenue Fund:	
Designated for specific programs	81,228
Capital Projects Fund:	
Designated for specific programs	<u>1,902,075</u>
 TOTAL	 <u>\$3,983,303</u>

N. 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.

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. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

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

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2002:

Deposits:	
Demand accounts	\$ 3,030,806
Certificate of deposit	<u>2,665,183</u>
Total deposits	5,695,989
Petty cash accounts	900
Other cash equivalents*:	
Tax Exempt Proceeds Funds	794,192**
State Short-Term Investment Fund (STIF)	14,928,599**
Cooperative Liquid Asset Securities (CLASS)	<u>573,099**</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$21,992,779</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, 2002, the carrying amount of the Town deposits was \$5,695,989 and the bank balance was \$7,732,715. Of the bank balance, \$619,821 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 \$771,289 based on June 30, 2002 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 \$6,341,605 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, 2002, the Town's investments consisted of the following:

	.....Category.....			<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Categorized Investments:				
U.S. Government Securities			\$ 36,302	\$ 36,302
Other Debt Securities			270,217	270,217
Equity Securities.....	\$75,936		30,894	106,830
Police Pension Fund:				
U.S. Government Securities			848,621	848,621
Other Debt Securities			2,391,659	2,391,659
Equity Securities			5,214,755	5,214,755
TOTAL	\$75,936	\$ - 0 -	\$8,792,448	\$8,868,384

3. 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.

4. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual fund interfund receivable and payable balances at June 30, 2002, are as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
Special Programs	Counseling Center.....	\$ 556
1996 Capital Projects.....	General Fund.....	6,243
Clean Water Fund	General Fund.....	1,474,892
Palmerwood Sewers.....	General Fund.....	1,092,700
Stony Creek Pier	General Fund.....	17,675
Town Hall Renovations	General Fund.....	1,087,464
Willoughby Wallace Renovations	Willoughby Wallace Memorial Library Fund	183,719

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
Police Station	Special Programs	\$ 5,556
General Fund.....	John B. Hart Fund.....	2,567
General Fund.....	Revaluation Fund.....	8,480
General Fund.....	BOE Program Fund	689
General Fund.....	Elderly Commission	1,965
General Fund.....	Open Space Fund.....	19,304
General Fund.....	Police Station	791
General Fund.....	Recreational Programs.....	39,807
General Fund.....	Sewer Reserve.....	2,000
General Fund.....	Special Programs	66,428
General Fund.....	Sewer Assessment.....	50
General Fund.....	Town Aid Road.....	101,243
General Fund.....	High School Technology Improvement.....	22
General Fund.....	Elementary School Renovation	907
General Fund.....	Fire Apparatus Fund	55,800
Heart and Hypertension Fund.....	General Fund.....	49,770
Small Cities.....	General Fund.....	35,000
Day Care Fund.....	General Fund.....	535
Animal Shelter Fund.....	General Fund.....	<u>110,783</u>
TOTAL.....		<u>\$4,364,946</u>

5. FIXED ASSETS

A summary of general fixed assets is as follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2002</u>
Land.....	\$ 5,789,590			\$ 5,789,590
Buildings	25,352,200			25,352,200
Equipment and personal property..	19,613,534	\$1,564,047	\$425,033	20,752,548
Construction in process.....	<u>26,375,100</u>	<u>2,806,936</u>		<u>29,182,036</u>
TOTAL.....	<u>\$77,130,424</u>	<u>\$4,370,983</u>	<u>\$425,033</u>	<u>\$81,076,374</u>

6. LONG-TERM DEBT

The following is a summary of general long-term debt transactions for the year ended June 30, 2002:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Debt</u> <u>Issued</u>	<u>Retirements</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2002</u>
Bonds and notes	\$47,749,149		\$4,225,497		\$43,523,652
Compensated absences.....	6,036,456			\$ (635,399)	5,401,057
Landfill closure	1,365,000			85,000	1,450,000
Retirement incentive	852,173			(568,115)	284,058
Net pension obligation	1,379,064			77,865	1,456,929
TOTAL.....	<u>\$57,381,842</u>	<u>\$ - 0 -</u>	<u>\$4,225,497</u>	<u>\$(1,040,649)</u>	<u>\$52,115,696</u>

A schedule of bonds and notes outstanding at June 30, 2002 is presented below:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2002</u>
General Obligation:				
School, 11.40%, mature in 2002	\$ 300,000		\$ 300,000	
School, 4.0-5.0%, mature in 2008.....	3,357,500		526,500	\$ 2,831,000
School, 5.9-7.9%, mature in 2009.....	1,674,000		240,000	1,434,000
School, 4.5-6.25%, mature in 2017.....	12,125,000		550,000	11,575,000
School, 4.0-5.0%, mature in 2019.....	10,445,000		684,000	9,761,000
Public improvement, 6.20-6.30%, mature in 2002	200,000		100,000	100,000
Public improvement, 8.60-9.10%, mature in 2003	190,000		95,000	95,000
Public improvement, 4.0-5.0%, mature in 2008	747,000		118,000	629,000
Public improvement, 5.9-7.9%, mature in 2009	935,000		100,000	835,000
Public improvement, 4.0-5.0%, mature in 2019	8,200,000		476,000	7,724,000
Special Assessment:				
Sewer, 4.0-5.0%, mature in 2008.....	220,500		34,500	186,000
Sewer, 6.65%, mature in 2002	50,000		25,000	25,000
Sewer, 5.35%, mature in 2003	400,000		200,000	200,000
Sewer, 8.6-9.1%, mature in 2003	530,000		265,000	265,000
Sewer, 5.9-7.9%, mature in 2009.....	1,391,000		160,000	1,231,000
Sewer, 4.5-6.25%, mature in 2017.....	90,000		25,000	65,000
Sewer, 4.0-5.0%, mature in 2019.....	5,125,000		220,000	4,905,000
Water, 4.0-5.0%, mature in 2008	75,000		11,000	64,000
Water, 6.8-7.5%, mature in 2012	350,000		25,000	325,000
Total bonds.....	46,405,000		4,155,000	42,250,000
State of Connecticut, Water, 2%, mature in 2013 ..	171,880		13,008	158,872
State of Connecticut, Water 2%, mature in 2019 ...	1,172,269		57,489	1,114,780
Total bonds and notes.....	<u>\$47,749,149</u>	<u>\$ - 0 -</u>	<u>\$4,225,497</u>	<u>\$43,523,652</u>

On May 15, 2001, The Town issued \$12,230,000 in general obligation bonds with an average interest rate of 4.72% to advance refund \$11,925,000 of outstanding 1996 General Obligation Bonds with an average interest rate of 5.17%. The net proceeds of 12,355,393 (after payment of 303,932 in underwriting fees insurance and other issuance costs) were used to purchase U.S. Treasury Securities – State and Local Series. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996 bonds until their redemption date. These 1996 bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

The Town advance refunded the bonds series to reduce its total debt service payments over the next 15 years by \$207,344 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$191,991. The balance of defeased bonds is \$11,100,000 at June 30, 2002.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003.....	\$ 3,701,920	\$ 2,105,657	\$ 5,807,577
2004.....	3,373,371	1,918,958	5,292,329
2005.....	3,474,852	1,749,516	5,224,368
2006.....	3,636,363	1,577,660	5,214,023
2007.....	3,592,904	1,408,889	5,001,793
2008-12	13,968,754	4,761,697	18,730,451
2013-2017	10,731,302	1,683,114	12,414,416
2018-2019	1,044,186	64,076	1,108,262
TOTAL	<u>\$43,523,652</u>	<u>\$15,269,567</u>	<u>\$58,793,219</u>

Clean Water Fund Notes

The Town is currently participating in a Capital Project (Wastewater Design Fund) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs”. The Town’s liability under the two-percent (2%) loan portion of the project was \$18,389,521 at June 30, 2002. This temporary loan is recorded as a liability in the Wastewater Design Fund and will be permanently financed upon completion. The Town authorized borrowing of \$31,400,000 to finance this project. The Town permanently financed \$5,220,151 in prior years.

General Obligation Bonds and Notes

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

Bonds Authorized Unissued

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

<u>Project</u>	<u>Authorization</u>	<u>Bonds Previously Issued</u>	<u>Grants Received</u>	<u>Bonds Authorized Unissued</u>
Palmerwood Sewers	\$1,300,000	\$1,175,000		\$125,000
Wastewater Treatment Plant	\$31,400,000	\$5,220,151	\$3,808,440	\$22,371,409

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	\$130,755,193	\$9,383,000	\$121,372,193
Schools	\$261,510,386	\$17,526,460**	\$243,983,926
Sewers	\$217,925,321	\$30,647,061	\$187,278,260
Urban renewal	\$188,868,612		\$188,868,612
Pension deficit.....	\$174,340,257		\$174,340,257

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation \$406,793,933.

* Includes bonds authorized unissued (\$22,496,409) and excludes water bonds.

** Total school indebtedness has been reduced by State of Connecticut Building Grants commitments of \$8,074,540.

Retirement Incentives

The Board of Education periodically provides retirement incentive programs. The liability for these programs decreased by \$568,115 to \$284,058 this year.

7. 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 three (3) 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. Benefits and contributions are established by the Town and may be amended only by the Representative Town Meeting.

At July 1, 2001, PERS membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits.....	30
Terminated employees entitled to benefits but not yet receiving them	1
Active Plan Members.....	<u>45</u>
TOTAL.....	<u>76</u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

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

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

C. Funding Status and Progress

Police officers are required to contribute 6.0% 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 25.20% of covered payroll.

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	\$ 775,000
Interest on net pension obligation	110,325
Adjustment to annual required contribution	<u>(112,485)</u>
Annual pension cost	772,840
Contributions made	<u>694,975</u>
Increase (decrease) in net pension obligation	77,865
Net pension obligation beginning of year	<u>1,379,064</u>
Net pension obligation end of year	<u>\$1,456,929</u>

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

Actuarial valuation date	July 1, 2001
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period.....	31 years closed
Asset valuation method	4 years smoothed asset value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	6.0%
Assumed inflation rate	4.0%

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>
6/30/00	\$669,542	107.4%	\$1,398,423	\$719,000
6/30/01	\$640,641	103.0%	\$1,379,064	\$660,000
6/30/02	\$772,840	89.9%	\$1,456,929	\$694,975

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>
7/01/97	\$5,753,024	\$10,386,258	\$(4,633,234)	55.4%	\$2,060,389	224.9%
7/01/99	\$8,336,451	\$11,542,336	\$(3,205,885)	72.2%	\$2,314,802	138.5%
7/01/01	\$9,550,035	\$13,326,943	\$(3,776,908)	71.7%	\$2,601,817	145.2%

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/96	\$810,000	86.0%
6/30/97	\$797,915	96.5%
6/30/98	\$734,956	102.9%
6/30/99	\$755,000	101.9%
6/30/00	\$670,195	107.3%
6/30/01	\$642,000	102.8%

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

Municipal Employees' Retirement System

All Town of Branford full-time employees, except the Police Department employees, elected officials and certified teachers and administrators, participate in the Connecticut Municipal Employee's Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

Funding Policy - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 3.5% 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, 2002, 2001, and 2000 were \$384,446, \$347,173, and \$428,903, 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 \$16,785,270 or 51.1% of the total Town payroll of \$32,876,090.

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, 2002 the Town has recorded in the General Fund, intergovernmental revenue and education expenditures in the amount of \$1,259,200 as payments made by the State of Connecticut on-behalf of the Town.

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

8. CAPITAL PROJECTS

A summary of capital projects at June 30, 2002 is presented below:

<u>Project</u>	<u>Appropriation</u>	<u>Cumulative Expenditures</u>	<u>Encumbrances</u>	<u>Available Balance</u>
Palmerwood Pump Station.....	\$ 1,300,000	\$ 87,300		\$1,212,700
Stony Creek Pier	400,000	379,610	\$ 1,000	19,390
Elementary School Renovation.....	12,819,000	12,817,372		1,628
Clean Water Project	31,714,116	28,298,233	3,042,194	373,689
High School Renovations.....	26,577,000	26,528,739		48,261
1996/1997 Capital Projects	474,761	467,661		7,100
Police Station	3,970,000	3,969,583		417
Trolley Trail	51,235	48,515		2,720
Sidewalk and Curb	777,600	755,841		21,759
Ambulance Fund	310,173	268,370		41,803
Fire Apparatus Fund.....	1,276,857	1,017,778		259,079
Technology Upgrade (High School).....	1,400,000	1,400,000		
Structural Remediation Fund	150,000	148,009		1,991
Town Hall Renovation	3,615,000	2,653,297	583,263	378,440
Willoughby Wallace Library	940,000	883,655	4,839	51,506
TOTAL.....	\$85,775,742	\$79,723,963	\$3,631,296	\$2,420,483

9. BULKY WASTE LANDFILL

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

State and Federal laws and regulations require the Town of Branford to place final cover on the landfill. While the landfill continues to receive bulky waste, the Town has undertaken the placement of final on completed sections. In the 2001/2002 fiscal year, no new areas were capped, but engineering design work took place, slightly increasing the total spent to date.

Each year, the Town appropriates funds for the placement of final cover. To date, \$765,000 has been appropriated and approximately \$750,000 expended, with approximately 54% of the total area of the landform having had all layers of final cover applied. The Town has received approval for a \$400,000 grant from the Department of Environmental Protection to cap the top of the landfill, though contracts have not been completed, nor any money received. It is anticipated that the placement of bulky waste will continue at the front of the landfill for the next five (5) years. Annual appropriations will be placed in a special revenue fund for the final cover for this front section when it no longer receives waste. Based upon current practice, it is anticipated that the final cover costs will total \$1,450,000, including funds already appropriated, but not including post-closure costs. The Town is required to monitor and maintain the landfill for thirty years after closure. The estimated annual cost for this postclosure activity is \$27,000. 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 accelerated completion of the installation of final cover.

Inflation, technology improvement and regulatory changes could have an impact on estimated costs.

Summary of Estimated Total Cost of Remaining Closure and Postclosure Care

Final Cover Cost (\$128,000 x 5 years)	\$ 640,000
Postclosure Care Costs (30 years):	
Inspection and maintenance of final cover (\$12,000 annually).....	360,000
Groundwater Monitoring (\$15,000 annually).....	<u>450,000</u>
 TOTAL	 <u>\$1,450,000</u>

10. OTHER REQUIRED DISCLOSURES

Fund Deficits

The following funds had a deficit fund balance/retained earnings as of June 30, 2002:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund:	
Revaluation Fund	\$53,733
Capital Project Funds:	
Clean Water Fund	\$17,701,533
Internal Service Fund:	
Heart and Hypertension Fund	\$369,095

The Special Revenue Fund fund deficit will be funded by future operations or General Fund transfers.

The Capital Project Fund deficit will be funded by grants, permanent financing or payments from other funds.

The Internal Service Fund retained earnings deficit will be funded by General Fund contributions.

11. DEFERRED REVENUE

Deferred revenue resulting from revenue recognition policies of the Town, as explained in Notes 1 and 2 is as follows:

General Fund:	
Property taxes.....	\$3,877,929
Advanced tax collections	435,553
Other departments – unearned revenues	293,293
Special Revenue Funds:	
Sewer Assessments Fund assessments.....	2,433,228
Water Assessment Fund assessments	292,467
Board of Education Program Fund – revenues not earned	<u>9,095</u>
TOTAL	<u>\$7,341,565</u>

12. RISK MANAGEMENT

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

The Workers’ Compensation Internal Service Fund is utilized to report the self-insurance activity. Mathog & Moniello administers the plan, for which the Town pays a fee. The Town’s general government and the Board of Education, contribute based on estimates using historical data. The Town covers all claims up to \$250,000 per employee per year with a stop-loss policy covering amounts exceeding the limit.

The claims liability of \$231,880 reported in the Internal Service Fund at June 30, 2002 is based on the *Government Accounting Standards Board Statement No. 10*, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows for the last two years:

	<u>Liability</u> <u>July 1,</u>	<u>Current Year Claims</u> <u>And Changes</u> <u>In Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>June 30,</u>
2001-02	\$336,876	\$259,627	\$364,623	\$231,880
2000-01	\$ - 0 -	\$600,000	\$263,124	\$336,876

The Heart and Hypertension Fund was established this year to account for the self insured activities of the Town related to heart and hypertension claims. Activity was previously recorded in the General Fund. The claims liability of \$418,865 at June 30, 2002 is based on the *Government Accounting Standards Board Statement #10*, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability are as follows:

	Liability <u>July 1,</u>	Current Year Claims And Changes <u>In Estimates</u>	Claim <u>Payments</u>	Liability <u>June 30,</u>
2001-02	\$ - 0 -	\$418,865	\$ - 0 -	\$418,865

13. 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.

**Combining, Individual Fund
and Account Group
Statements and Schedules**

TOWN OF BRANFORDGENERAL FUNDCOMPARATIVE BALANCE SHEET
JUNE 30, 2002 AND 2001

	2002	2001
<u>A S S E T S</u>		
Cash and cash equivalents.....	\$17,927,750	\$19,616,890
Receivables:		
Taxes.....	4,181,043	3,853,191
Intergovernmental.....	37,164	31,225
Other.....	577,741	569,185
Due from other funds.....	300,053	380,952
Other.....	<u>58,320</u>	<u>24,059</u>
TOTAL	<u>\$23,082,071</u>	<u>\$24,475,502</u>
 <u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>		
Liabilities:		
Accounts payable and accrued expenses.....	\$ 2,594,734	\$ 3,347,270
Due to other funds.....	3,875,062	7,560,629
Deferred revenues.....	4,606,775	3,850,181
Other.....	<u>828,767</u>	<u>776,294</u>
Total liabilities	<u>11,905,338</u>	<u>15,534,374</u>
Fund balance:		
Reserved for encumbrances.....	374,881	495,336
Unreserved:		
Designated for subsequent year budget.....	2,000,000	1,500,000
Undesignated - available for appropriation...	<u>8,801,852</u>	<u>6,945,792</u>
Total fund balance	<u>11,176,733</u>	<u>8,941,128</u>
TOTAL	<u>\$23,082,071</u>	<u>\$24,475,502</u>

TOWN OF BRANFORDGENERAL FUNDSTATEMENT OF ESTIMATED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2002

	ESTIMATED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Taxes:			
Current taxes.....	\$54,908,437	\$55,260,329	\$ 351,892
Interest income.....	400,000	635,115	235,115
Lien fees.....	7,500	10,418	2,918
Suspense collections.....	7,500	14,827	7,327
Delinquent taxes.....	600,000	1,042,188	442,188
Total.....	55,923,437	56,962,877	1,039,440
Intergovernmental revenues:			
Education cost sharing.....	1,250,678	1,249,639	(1,039)
School transportation.....	191,117	187,428	(3,689)
Special education - blind services..		8,850	8,850
Health and welfare.....		9,749	9,749
Principal subsidy.....	568,455	791,726	223,271
Interest subsidy.....	504,215	459,797	(44,418)
Adult education.....	19,924		(19,924)
Circuit breaker elderly.....	210,000	204,420	(5,580)
Elderly tax relief - freeze.....	29,000	21,849	(7,151)
Boat exemption.....	98,245	98,245	
Disability exemption.....	2,200	2,687	487
Veterans' reimbursement - State.....	75,000	86,215	11,215
Manufacturing PILOT grant.....	550,000	582,967	32,967
Pequot grant.....	151,658	186,153	34,495
Private property exemption.....	34,587	36,166	1,579
State property exemption.....	59,847	62,438	2,591
State counseling grants.....	119,000	130,953	11,953
Miscellaneous State grants.....		165,072	165,072
Wild Life Refuge.....		3,813	3,813
Total	3,863,926	4,288,167	424,241
Licenses, permits and fees:			
Oil burner permits.....	100		(100)
Building permits.....	155,000	304,381	149,381
Excavation permits.....	6,000	9,000	3,000
Electrical permits.....	18,000	25,790	7,790
Plumbing permits.....	10,000	13,240	3,240

(Continued) - 1.

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

	ESTIMATED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Licenses, permits and fees (cont.):			
Heating, air conditioning and ventilation permits.....	\$ 12,000	\$ 25,790	\$ 13,790
Sewer connection permits.....	150	204	54
Other licenses and permits.....	700	1,810	1,110
Zoning Board of Appeals.....	7,500	6,960	(540)
Planning and Zoning.....	15,000	23,576	8,576
Map copies - building and engineering.....	2,000	2,232	232
Inland wetlands applications.....	13,000	12,312	(688)
Transfer station escrow.....	94,500	107,314	12,814
Sale of recycling boxes.....	1,500	1,185	(315)
Trip passes.....	2,000	3,168	1,168
Permits and tags - police.....	10,000	8,420	(1,580)
Special wages - police.....	400,000	369,205	(30,795)
False alarm fees.....	15,000	20,850	5,850
Waste treatment fees.....		37,728	37,728
North Branford sewer fees.....	135,000	184,106	49,106
Pump out services.....	3,800	4,420	620
Town Clerk other monies.....	235,000	378,366	143,366
Conveyance taxes.....	150,000	180,391	30,391
DEP licenses - Town portion.....	600	655	55
Marriage licenses - Town portion....	2,100	2,123	23
Dog licenses.....		5,411	5,411
Ambulance service fees.....	660,000	778,240	118,240
Miscellaneous permits and fees - fire services.....		370	370
Counseling fees and services.....	300,000	390,165	90,165
Counseling-United Way Contribution..	21,000	21,575	575
Total.....	2,269,950	2,918,987	649,037
Interest income.....	992,686	752,988	(239,698)
Other:			
Willoughby - Wallace Library fees...	1,250	628	(622)
Employee health insurance co-pay....	77,672	79,768	2,096
In lieu of taxes - telephone access.	337,264	410,711	73,447
In lieu of taxes - SCRW.....	195,278	213,060	17,782
Leases.....	4,250	3,703	(547)
Lease - Branford Hill Facility.....	20,000		(20,000)
Board of Education - building usage.	5,000	5,731	731
Telephone booths.....	500	663	163
Insurance claims and refunds.....	35,000	27,476	(7,524)

(Continued) - 2.

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

	ESTIMATED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Other (cont.):			
Anthem demutualization.....		\$ 889,716	\$ 889,716
Miscellaneous refunds.....		31,301	31,301
Miscellaneous income.....	\$ 10,000	238,350	228,350
Sale of Town property.....		32,733	32,733
Reimbursement Town services.....	5,000	6,582	1,582
Board of Education - tuition reimbursement.....	25,400	10,570	(14,830)
COBRA/dental reimbursement.....		736	736
Warden fees.....		775	775
Total other	716,614	1,952,503	1,235,889
TOTAL.....	<u>\$63,766,613</u>	<u>\$66,875,522</u>	<u>\$3,108,909</u>

TOWN OF BRANFORDGENERAL FUNDSTATEMENT OF ESTIMATED AND ACTUAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
General government:			
Legislative.....	\$ 16,264	\$ 11,492	\$ 4,772
Executive.....	229,831	223,831	6,000
Finance.....	60,640	54,663	5,977
Treasurer.....	227,584	224,316	3,268
Assessor.....	188,578	185,389	3,189
Review of Assessments.....	10,088	7,781	2,307
Tax Collector.....	219,649	199,615	20,034
Town Clerk.....	174,897	174,082	815
Law.....	605,367	605,132	235
Labor Relations Negotiations.....	80,000	79,917	83
Probate Court.....	14,500	8,815	5,685
Elections.....	53,812	52,423	1,389
Planning and Zoning.....	185,832	178,343	7,489
Zoning Board of Appeals.....	8,599	6,478	2,121
Development Commission.....	8,368	8,358	10
Inland Wetlands Commission.....	31,757	31,018	739
General Government Buildings.....	384,723	375,059	9,664
Cable Television.....	1,925	1,608	317
Electronic Data Processing.....	209,181	206,369	2,812
Human Resources.....	148,055	144,421	3,634
Total	2,859,650	2,779,110	80,540
Public safety:			
Police Service.....	3,708,447	3,671,618	36,829
Police Service - special detail...	400,000	320,907	79,093
EMS Service.....	842,857	822,051	20,806
Fire Protection.....	2,282,961	2,235,988	46,973
Building Department.....	65,510	59,557	5,953
Other protection - Dog Warden.....	44,149	40,498	3,651
Total	7,343,924	7,150,619	193,305
Public works and highways:			
Public Works.....	2,026,952	2,014,002	12,950
Water Pollution Control.....	1,634,911	1,592,416	42,495
Sanitation and Waste.....	2,383,082	2,299,726	83,356
General Engineering.....	174,962	173,510	1,452
Total	6,219,907	6,079,654	140,253

(Continued) - 1.

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

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Recreation:			
Branford Recreation Department....	\$ 652,932	\$ 643,642	\$ 9,290
Parker Park.....	52,867	50,749	2,118
Young's Park Commission.....	7,047	6,062	985
Docks and Recreational facilities.	32,420	31,928	492
Public Celebration.....	23,063	20,491	2,572
Shellfish Commission.....	1,150	711	439
Conservation Commission.....	8,166	6,854	1,312
Total	777,645	760,437	17,208
Libraries:			
James Blackstone Memorial Library.	706,467	706,467	
Willoughby-Wallace Library.....	160,612	156,761	3,851
Total	867,079	863,228	3,851
Health and welfare:			
Human Services.....	845,499	837,263	8,236
Commission for the Elderly.....	264,719	261,751	2,968
East Shore District Health.....	122,121	122,121	
Youth Services.....	30,688	29,714	974
Total	1,263,027	1,250,849	12,178
Board of Education.....	33,913,257	33,660,704	252,553
Pension and insurance:			
Pension and Contributions.....	1,675,427	1,651,747	23,680
Employee Group Insurance.....	1,796,416	1,778,373	18,043
Municipal insurance.....	1,041,585	1,040,373	1,212
Contingency.....	784		784
Total	4,514,212	4,470,493	43,719
Capital Projects.....	1,057,418	1,055,168	2,250
Debt service:			
Principal retirement.....	3,504,997	3,504,997	
Interest and fiscal charges.....	2,325,215	2,323,921	1,294
Total	5,830,212	5,828,918	1,294
Total expenditures	64,646,331	63,899,180	747,151

(Continued) - 2.

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

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Other financing uses:			
Transfers to other funds:			
Special Revenue Fund:			
Dog Fund	\$ 30,300	\$ 30,300	
Small Cities Fund	35,000	35,000	
Revaluation Reserve	150,000	150,000	
Capital Projects:			
Ambulance Fund	45,000	45,000	
Fire Apparatus Fund	84,200	84,200	
Willoughby-Wallace			
Renovations	65,000	65,000	
Animal Shelter	110,782	110,782	
Sewer Reserve	100,000	100,000	
Total other financing uses .	620,282	620,282	
TOTAL	<u>\$65,266,613</u>	<u>\$64,519,462</u>	<u>\$747,151</u>

TOWN OF BRANFORD

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2002

GRAND LIST	UNCOLLECTED TAXES JULY 1, 2001	LAWFUL CORRECTIONS	FORECLOSURES AND ADJUSTMENTS	TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	TAXES	INTEREST	LIENS	TOTAL	UNCOLLECTED TAXES JUNE 30, 2002
1985.....	\$ 260		\$ (260)		\$ 101			\$ 24	\$ 24	101
1986.....	304		(203)		108			24	24	108
1987.....	544		(436)		103					103
1988.....	581		(478)		2,615	2,341	973	72	3,386	274
1989.....	3,132		(517)		9,257	5,705	13,006	96	18,807	3,552
1990.....	9,838		(581)		27,402	10,887	14,596	96	25,579	16,515
1991.....	29,293		(1,891)		30,446	11,367	13,827	120	25,314	19,079
1992.....	32,310		(1,864)		37,068	12,231	15,746	120	28,097	24,837
1993.....	39,033		(1,965)		37,068	12,231	15,746	120	29,102	68,446
1994.....	85,609		(2,001)		83,608	15,162	13,724	216	47,880	117,730
1995.....	298,002		(2,016)		143,685	25,955	21,564	361	106,821	286,033
1996.....	357,127	\$ 76	(2,380)	\$ (152,377)	353,872	67,839	38,499	483	108,397	346,655
1997.....	413,725	(875)	(667)		412,398	65,743	41,934	720	267,662	534,871
1998.....	737,542	(660)	(1,981)		732,373	197,502	68,312	1,848	920,207	1,020,595
1999.....	1,845,891	(3,188)	(56,758)		1,782,810	762,215	152,990	5,002	55,472,658	1,742,144
2000.....	57,207,296	(6,323)	(61,482)		57,002,473	55,260,329	211,568	761	57,053,958	\$4,181,043
TOTAL.....	\$61,060,487	\$ (154,311)	\$ (135,480)	\$ (152,377)	\$60,618,319	56,437,276	606,739	9,943	43,204	475
				Suspense collections		14,827	28,377			
				Administrative Fees				475		
				TOTAL		\$56,452,103	\$635,116	\$10,418	\$57,097,637	

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	REVALUATION FUND	OPEN SPACE FUND	SEWER ASSESSMENT FUND	WATER ASSESSMENT FUND	PROGRAM FUND	DAY CARE FUND	EDUCATIONAL GRANTS FUND	CAFETERIA FUND	ENERGY EFFICIENCY FUND
Cash and cash equivalents	\$7,530	\$178,655	\$ 184,547	\$ 35,408	\$34,052	\$143,275	\$348,708	\$49,867	\$77,157
Receivables:									
Assessments			2,433,228	292,467			6,201	23,813	516
Intergovernmental									
Other						535			
Due from other funds									
Inventory, at cost								8,794	
TOTAL	\$7,530	\$178,655	\$2,617,775	\$327,875	\$34,052	\$143,810	\$354,909	\$82,990	\$77,157

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	\$ 52,783	\$ 200	\$ 3,264			\$ 2,191	\$213,783	\$70,721	
Due to other funds	8,480	19,304	50						
Deferred revenue			2,433,228	\$292,467	\$ 9,095				
Total liabilities	61,263	19,504	2,436,542	292,467	9,784	2,191	213,783	70,721	
Fund balance (deficit):									
Reserved for inventory								8,794	
Unreserved:									
Designated for specific purposes	✓ (53,733)	63,376	181,233	35,408	24,268	141,619	141,126	3,475	\$77,157
Unrestricted and undesignated	(53,733)	159,151	181,233	35,408	24,268	141,619	141,126	12,269	77,157
Total fund balance (deficit)	\$ 7,530	\$178,655	\$2,617,775	\$327,875	\$34,052	\$143,810	\$354,909	\$82,990	\$77,157

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	SMALL CITIES FUND	TOWN AID ROAD FUND	PASS THROUGH GRANTS FUND	PARK AND RECREATION REVOLVING	SPECIAL PROGRAMS	2002	2001
Cash and cash equivalents	\$27,367	\$377,952		\$247,068	\$570,194	\$2,281,780	\$1,757,357
Receivables:							
Assessments					15,824	2,725,695	3,282,626
Intergovernmental					39,193	39,637	104,127
Other					556	45,910	55,896
Due from other funds	35,000					36,091	262,529
Inventory, at cost						8,794	5,230
TOTAL	\$62,367	\$377,952	\$ - 0 -	\$247,068	\$625,767	\$5,137,907	\$5,467,765
<u>A S S E T S</u>							
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>							
Liabilities:							
Accounts payable	\$ 299	\$ 46,983		\$ 2,678	\$ 95,264	\$ 488,166	\$ 348,215
Due to other funds		101,243		39,807	71,984	241,557	362,676
Deferred revenue						2,734,790	3,282,904
Total liabilities	299	148,226		42,485	167,248	3,464,513	3,993,795
Fund balance (deficit):							
Reserved for inventory						8,794	5,230
Unreserved:							
Designated for specific purposes	62,068	229,726		204,583	17,852	1,583,372	1,468,740
Unrestricted and undesignated	62,068	229,726		204,583	440,667	1,673,394	1,473,970
Total fund balance (deficit)	\$62,367	\$377,952	\$ - 0 -	\$247,068	\$625,767	\$5,137,907	\$5,467,765

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	REVALUATION FUND	OPEN SPACE FUND	SEWER ASSESSMENT FUND	WATER ASSESSMENT FUND	PROGRAM FUND	DAY CARE FUND	EDUCATIONAL GRANTS FUND	CAFETERIA FUND	ENERGY EFFICIENCY FUND
Revenues:									
Assessment income			\$647,514	\$55,502					
Interest on assessments			343,115	23,312					
Intergovernmental revenues							\$1,630,781	\$ 186,404	
Investment income		\$ 1,789	2,232	474	\$ 133	\$ 3,221		1,282	\$ 2,209
Sale of food		106,277				524,002		841,313	
Sales and services									
Program income		1,000	25		70,466	569	146,159		
Subsidy									
Other									
Total revenues		109,066	992,886	79,288	70,599	527,792	1,776,940	1,028,999	2,209
Expenditures:									
Current:									
General Government	\$ 448,915		25,284	700					
Public safety									
Public works and highway									
Parks, recreation and libraries		30,060							
Health and human services			861,204	63,281	78,144	562,398	1,740,480	1,003,966	20,869
Education									
Debt service									
Total expenditures	448,915	30,060	886,488	63,981	78,144	562,398	1,740,480	1,003,966	20,869
Excess (deficiency) of revenues over expenditures	(448,915)	79,006	106,398	15,307	(7,545)	(34,606)	36,460	25,033	(18,660)
Other financing sources (uses):									
Operating transfers in	150,000	30,300							
Operating transfers out									
Total other financing sources (uses)	150,000	30,300							
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(298,915)	109,306	106,398	15,307	(7,545)	(34,606)	36,460	25,033	(18,660)
Fund balance (deficit), July 1, ...	245,182	49,845	74,835	20,101	31,813	176,225	104,666	(12,764)	95,817
Fund balance (deficit), June 30, ..	\$ (53,733)	\$159,151	\$181,233	\$35,408	\$ 24,268	\$141,619	\$ 141,126	\$ 12,269	\$ 77,157

(Continued) - 1.

TOWN OF BRANFORD
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	SMALL CITIES FUND	TOWN AID ROAD FUND	PASS THROUGH GRANTS FUND	PARK AND RECREATION REVOLVING	SPECIAL PROGRAMS	2002	2001
Revenues:							
Assessment income						\$ 703,016	\$ 635,321
Interest on assessments						366,427	303,969
Intergovernmental revenues	\$340,250	\$ 245,932	\$223,724		\$591,174	3,218,265	2,335,855
Investment income	66	9,608		\$ 2,398	9,317	32,729	85,252
Sale of food						841,313	813,796
Sales and services	11,684			263,120		893,399	514,164
Program income						11,684	281,070
Subsidy		21,259		4,251	190,016	433,745	5,351
Other							341,828
Total revenues	352,000	276,799	223,724	269,769	790,507	6,500,578	5,316,606
Expenditures:							
Current:							
General Government						488,749	33,063
Public safety					13,850	201,632	191,899
Public works and highway		375,079			201,632	431,741	295,709
Parks, recreation and libraries				183,448	56,662	474,597	254,117
Health and human services	342,417		223,724		261,089	584,949	1,165,948
Education					18,808	3,405,857	2,662,058
Debt service						924,485	972,947
Total expenditures	342,417	375,079	223,724	183,448	552,041	6,512,010	5,575,741
Excess (deficiency) of revenues over expenditures	9,583	(98,280)		86,321	238,466	(11,432)	(259,135)
Other financing sources (uses):							
Operating transfers in	35,000	(4,444)				215,300	246,697
Operating transfers out						(4,444)	
Total other financing sources (uses)	35,000	(4,444)				210,856	246,697
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	44,583	(102,724)		86,321	238,466	199,424	(12,438)
Fund balance (deficit), July 1, ...	17,485	332,450	- 0 -	118,262	220,053	1,473,970	1,486,408
Fund balance (deficit), June 30, ...	\$ 62,068	\$ 229,726	\$ - 0 -	\$204,583	\$458,519	\$1,673,394	\$1,473,970

(Concluded) - 2.

TOWN OF BRANFORDSEWER ASSESSMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002

	BUDGET	ACTUAL	VARIANCE
Revenues:			
Assessment income	\$ 403,712	\$647,514	\$243,802
Interest on assessments	276,011	343,115	67,104
Investment income		2,232	2,232
Other income		25	25
Total revenues	679,723	992,886	313,163
Expenditures:			
Debt principal	684,500	684,500	
Interest and financing	176,704	176,704	
Salaries and wages	633	400	233
Supplies	867		867
Other	7,400	2,981	4,419
Legal and advertising	34,150	21,903	12,247
Total expenditures	904,254	886,488	17,766
Excess (deficiency) of revenues over expenditures	<u>\$ (224,531)</u>	106,398	<u>\$330,929</u>
Fund balance, July 1, 2001.....		<u>74,835</u>	
Fund balance, June 30, 2002.....		<u>\$181,233</u>	

TOWN OF BRANFORDWATER ASSESSMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002

	BUDGET	ACTUAL	VARIANCE
Revenues:			
Assessment income	\$36,000	\$55,502	\$19,502
Interest on assessments	27,282	23,312	(3,970)
Investment income	100	474	374
Total revenues	63,382	79,288	15,906
Expenditures:			
Debt principal	36,000	36,000	
Interest and financing	27,282	27,281	1
Other	700	700	
Total expenditures	63,982	63,981	1
Excess of revenues over expenditures....	<u>\$ (600)</u>	15,307	<u>\$15,907</u>
Fund balance, July 1, 2001.....		<u>20,101</u>	
Fund balance, June 30, 2002.....		<u>\$35,408</u>	

TOWN OF BRANFORDOPEN SPACE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002

	BUDGET	ACTUAL	VARIANCE
Revenues:			
Investment income	\$ 955	\$ 1,789	\$ 834
Leases	20,000	20,000	
Transfers in	30,300	30,300	
Other		87,277	87,277
Total revenues	51,255	139,366	88,111
Expenditures:			
Salaries and wages	22,298	22,297	1
Supplies	310	310	
Grounds maintenance	7,732	498	7,234
Capital	771	175	596
Site improvements	20,144	6,780	13,364
Total expenditures	51,255	30,060	21,195
Excess of revenues over expenditures....	<u>\$ - 0 -</u>	109,306	<u>\$109,306</u>
Fund balance, July 1, 2001.....		<u>49,845</u>	
Fund balance, June 30, 2002.....		<u><u>\$159,151</u></u>	

TOWN OF BRANFORDBOARD OF EDUCATION - PROGRAM FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002

	BUDGET	ACTUAL	VARIANCE
Revenues:			
Investment income		\$ 133	\$ 133
Other income	\$100,100	70,466	(29,634)
Total revenues	<u>100,100</u>	<u>70,599</u>	<u>(29,501)</u>
Expenditures:			
Salaries and wages	60,880	46,735	14,145
Benefits	2,000	731	1,269
Supplies, utilities and other	14,400	13,568	832
Professional services	13,120	13,119	1
Equipment	1,700		1,700
Capital	8,000	3,991	4,009
Total expenditures	<u>100,100</u>	<u>78,144</u>	<u>21,956</u>
Excess (deficiency) of revenues over expenditures	<u>\$ - 0 -</u>	(7,545)	<u>\$ (7,545)</u>
Fund balance, July 1, 2001.....		<u>31,813</u>	
Fund balance, June 30, 2002.....		<u>\$24,268</u>	

TOWN OF BRANFORDBOARD OF EDUCATION - DAY CARE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002

	BUDGET	ACTUAL	VARIANCE
Revenues:			
Investment income	\$ 15,000	\$ 3,221	\$ (11,779)
Other	742,142	524,571	(217,571)
Total revenues	<u>757,142</u>	<u>527,792</u>	<u>(229,350)</u>
Expenditures:			
Salaries and wages	584,655	457,035	127,620
Supplies	74,582	47,108	27,474
Other	86,834	51,295	35,539
Capital	11,071	6,960	4,111
Total expenditures	<u>757,142</u>	<u>562,398</u>	<u>194,744</u>
Excess (deficiency) of revenues over expenditures	<u>\$ - 0 -</u>	(34,606)	<u>\$ (34,606)</u>
Fund balance, July 1, 2001.....		<u>176,225</u>	
Fund balance, June 30, 2002.....		<u>\$141,619</u>	

TOWN OF BRANFORD

SCHEDULE OF SEWER ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2002

DESCRIPTION	UNCOLLECTED JULY 1, 2001	CURRENT YEAR LEVIES	CORRECTIONS TO LEVIES	ADJUSTED UNCOLLECTED BALANCE	ASSESSMENT COLLECTIONS	UNCOLLECTED JUNE 30, 2002
Phase I.....	\$ 65,817			\$ 64,139	\$ 64,139	\$ 84,134
District II.....	106,654	\$ 3,250	\$(1,678)	109,904	25,770	\$ 84,134
District III.....	988			988	200	77,878
District IV.....	93,610	7,200	(6)	100,804	22,925	43,899
District V.....	70,546		(168)	70,377	26,478	7,753
District VI.....	10,919		(6)	10,913	3,160	22,574
District VII.....	28,317	2,400	(14)	30,703	8,129	1,774
District VIII.....	2,181			2,181	407	139,759
District IX & Pawson Park.....	223,590	7,083	(10)	230,663	90,904	11,430
District XI.....	13,324			13,324	1,894	1,047,300
Miscellaneous Sewer Assessments.....	1,125,474	120,388	(154)	1,245,708	198,408	46,645
District XII.....	54,135			54,135	7,490	27,749
Cherry Hill/North Main.....	32,350			32,350	4,601	174,695
East Main/Gould.....	212,407	6,500		218,907	44,212	36,303
Todds Hill Road.....	41,400			41,400	5,097	468,551
Pine Orchard.....	565,734		860	566,594	98,043	33,102
High Meadow/Valley Brook.....	36,969			36,969	3,867	54,350
Chestnut/North Main.....	60,684		(2)	60,682	6,332	13,149
Paynes Point.....	15,426			15,426	2,277	14,177
Gould Lane.....	16,417			16,417	2,240	127,217
The Ponds/McDonalds Motel/Orchard Heights/Forest Edge.....	158,226		(68)	158,158	30,941	\$2,433,228
Total.....	\$2,935,168	\$146,821	\$(1,247)	\$3,080,742	647,514	
Interest on assessments.....					271,570	
Interest on overdue assessments.....					70,816	
Administrative fees.....					729	
TOTAL.....					\$990,629	

TOWN OF BRANFORD

SCHEDULE OF WATER ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2002

DESCRIPTION	BALANCE JULY 1, 2001	ADJUSTMENTS	PRINCIPAL INTEREST	DELINQUENT INTEREST	COLLECTIONS	ADMINISTRATION FEES	LIENS	TOTAL	BALANCE UNCOLLECTED JUNE 30, 2002
Ramblewood/Buttermilk	\$ 71,824	\$ 6	\$ 9,638	\$ 3,651	\$ 140	\$ 250		\$13,679	\$ 62,192
Marbar Street	15,093	192	2,184	1,056		80		3,320	13,101
Leetes Island	260,541	312	43,679	16,359	886	890		61,814	217,174
TOTAL	\$347,458	\$510	\$55,501	\$21,066	\$1,026	\$1,220	\$-0-	\$78,813	\$292,467

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	STONY CREEK PIER	ANIMAL SHELTER	TOWN HALL RENOVATION	PALMERWOOD SEWERS	ELEMENTARY SCHOOL RENOVATION	POLICE STATION
Cash and cash equivalents	\$ 3,315		\$ 105,612	\$ 10,000	\$ 2,536	\$ 20,880
Intergovernmental receivable	17,675	\$110,782	1,087,464	1,092,700		5,557
Due from other funds						
TOTAL	\$20,990	\$110,782	\$1,193,076	\$1,102,700	\$2,536	\$26,437

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			\$ 231,373	\$ 15,000	\$ 906	\$ 792
Due to other funds						
Clean water notes payable						
Total liabilities			231,373	15,000	906	792
Fund balance (deficit):						
Reserved for encumbrances	\$ 1,000					
Designated for specific purposes	19,990			1,087,700		
Unreserved and undesignated		\$110,782			1,630	25,645
Total fund balance (deficit)	20,990	110,782	961,703	1,087,700	1,630	25,645
TOTAL	\$20,990	\$110,782	\$1,193,076	\$1,102,700	\$2,536	\$26,437

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	WILLOUGHBY WALLACE RENOVATIONS	CLEAN WATER	SEWER RESERVE FUND	TROLLEY TRAIL WALKWAY	SIDEWALKS AND CURBS	AMBULANCE FUND
Cash and cash equivalents	\$ (265,542)	\$ 135,766	\$ 203,258	\$ 2,721		\$ 45,990
Intergovernmental receivable	86,147					
Due from other funds	183,719	1,474,892				
TOTAL	\$ 4,324	\$ 1,610,658	\$ 203,258	\$ 2,721	\$ - 0 -	\$ 45,990

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	\$ 4,324
Due to other funds	\$ 922,670
Clean water notes payable	18,389,521
Total liabilities	19,312,191
Fund balance (deficit):	
Reserved for encumbrances	4,839
Designated for specific purposes	(4,839)
Unreserved and undesignated	(20,743,727)
Total fund balance (deficit)	(17,701,533)
TOTAL	\$ 4,324

/

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	FIRE APPARATUS FUND	HIGH SCHOOL RENOVATIONS	HIGH SCHOOL TECHNOLOGY IMPROVEMENT	1996 CAPITAL PROJECTS	2002	2001
Cash and cash equivalents	\$167,635	\$53,936	\$22		\$ 486,129	\$ 302,306
Intergovernmental receivable					86,147	4,456
Due from other funds				\$6,243	3,979,032	7,310,363
TOTAL	\$167,635	\$53,936	\$22	\$6,243	\$4,551,308	\$7,617,125
 <u>A S S E T S</u> 						
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>						
Liabilities:						
Accounts payable				\$3,317	\$ 1,176,684	\$ 2,098,380
Due to other funds	\$ 55,800		\$22		59,520	19,422
Clean water notes payable					18,389,521	12,134,148
Total liabilities	55,800		22	3,317	19,625,725	14,251,950
Fund balance (deficit):						
Reserved for encumbrances					3,631,296	8,124,132
Designated for specific purposes	111,835	\$53,936		2,926	1,902,075	1,966,672
Unreserved and undesignated					(20,607,788)	(16,725,629)
Total fund balance (deficit)	111,835	53,936		2,926	(15,074,417)	(6,634,825)
TOTAL	\$167,635	\$53,936	\$22	\$6,243	\$ 4,551,308	\$ 7,617,125

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	STONY CREEK PIER	ANIMAL SHELTER	TOWN HALL RENOVATION	PALMERWOOD SEWERS	ELEMENTARY SCHOOL RENOVATION	POLICE STATION
Revenues:						
Intergovernmental revenues						
Investment income	\$ 600					
Other income						
Total revenues	600					
Expenditures:						
Capital outlay	379,610		\$ 1,761,421	\$ 87,300		
Excess (deficiency) of revenues over expenditures ...	(379,010)		(1,761,421)	(87,300)		
Other financing sources (uses):						
Operating transfers in		\$110,782				\$ (907)
Operating transfers out						
Loan proceeds						
Total other financing sources (uses)		110,782				(907)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(379,010)	110,782	(1,761,421)	(87,300)		(907)
Fund balance (deficit), July 1,	400,000	- 0 -	2,723,124	1,175,000	2,537	\$25,645
Fund balance (deficit), June 30,	\$ 20,990	\$110,782	\$ 961,703	\$1,087,700	\$1,630	\$25,645

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	WILLOUGHBY WALLACE RENOVATIONS	CLEAN WATER	SEWER RESERVE FUND	TROLLEY TRAIL WALKWAY	SIDEWALKS AND CURBS	AMBULANCE FUND
Revenues:						
Intergovernmental revenues	\$ 172,300	\$ 1,058,242	\$ 2,721		\$ 8,948	\$ 731
Investment income						
Other income						
Total revenues	172,300	1,058,242	2,721		8,948	731
Expenditures:						
Capital outlay	869,080	7,227,582				
Excess (deficiency) of revenues over expenditures ...	(696,780)	(6,169,340)	2,721		8,948	731
Other financing sources (uses):						
Operating transfers in	448,719		100,000		4,444	45,000
Operating transfers out						
Loan proceeds						
Total other financing sources (uses)	448,719		100,000		4,444	45,000
Excess (deficiency) of revenues and other financing sources uses expenditures and other financing uses	(248,061)	(6,169,340)	102,721		13,392	45,731
Fund balance (deficit), July 1,	248,061	(11,532,193)	98,537	\$2,721	(13,392)	259
Fund balance (deficit), June 30,	\$ - 0 -	\$(17,701,533)	\$201,258	\$2,721	\$ - 0 -	\$45,990

TOWN OF BRANFORD
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	FIRE APPARATUS FUND	HIGH SCHOOL RENOVATIONS	HIGH SCHOOL TECHNOLOGY IMPROVEMENT	1996 CAPITAL PROJECTS	2002	2001
				.....TOTAL.....		
Revenues:						
Intergovernmental revenues					\$ 1,239,490	\$ 2,259,536
Investment income	866	3			4,321	15,887
Other income	4,092				4,692	150,097
Total revenues	4,958	3			1,248,503	2,425,520
Expenditures:						
Capital outlay	2,608	153,639			10,481,240	14,758,469
Excess (deficiency) of revenues over expenditures ...	2,350	(153,636)			(9,232,737)	(12,332,949)
Other financing sources (uses):						
Operating transfers in	84,200		907		794,052	1,172,000
Operating transfers out					(907)	(42,029)
Loan proceeds						11,540,000
Total other financing sources (uses)	84,200		907		793,145	12,669,971
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	86,550	(153,636)	907		(8,439,592)	337,022
Fund balance (deficit), July 1,	25,285	207,572	(907)	\$2,926	(6,634,825)	(6,971,847)
Fund balance (deficit), June 30,	\$111,835	\$ 53,936	\$ -0-	\$2,926	\$ (15,074,417)	\$ (6,634,825)

TOWN OF BRANFORD
INTERNAL SERVICE FUND

COMBINING BALANCE SHEET
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	WORKERS' COMPENSATION FUND	HEART AND HYPERTENSION FUND	2002	2001
<u>A S S E T S</u>				
Cash and cash equivalents	\$432,284	\$49,770	\$ 432,284	\$279,650
Due from other funds			49,770	
TOTAL	<u>\$432,284</u>	<u>\$49,770</u>	<u>\$482,054</u>	<u>\$279,650</u>
 <u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D E O U I T Y</u>				
Liabilities:				
Accounts payable	\$ 7,333		\$ 7,333	\$ 34,400
Claims incurred not reported	231,880	\$ 418,865	650,745	336,876
Total liabilities	239,213	418,865	658,078	371,276
Fund equity:				
Retained earnings (deficit):				
Unreserved	193,071	(369,095)	(176,024)	(91,626)
TOTAL	<u>\$432,284</u>	<u>\$ 49,770</u>	<u>\$ 482,054</u>	<u>\$279,650</u>

TOWN OF BRANFORD
INTERNAL SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	WORKERS' COMPENSATION FUND	HEART AND HYPERTENSION FUND	.....TOTAL.....
	2002	2001	2001
Operating revenues:			
Contributions for benefits	\$664,060	\$ 49,770	\$ 641,715
Refunds			15,568
Total operating revenues.....	<u>664,060</u>	<u>49,770</u>	<u>713,830</u>
Operating expenses:			
Benefit claims	259,627	418,865	600,000
Claims administration	136,482	136,482	176,921
Total operating expenses.....	<u>396,109</u>	<u>418,865</u>	<u>814,974</u>
Operating income (loss)	267,951	(369,095)	(119,638)
Nonoperating income - interest income	16,746	16,746	28,012
Net income (loss)	284,697	(369,095)	(91,626)
Retained earnings (deficit), July 1,	(91,626)	- 0 -	- 0 -
Retained earnings (deficit), June 30,	<u>\$193,071</u>	<u>\$(369,095)</u>	<u>\$(91,626)</u>

TOWN OF BRANFORD
INTERNAL SERVICE FUND

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	WORKERS' COMPENSATION FUND	HEART AND HYPERTENSION FUND	2002	2001
			.....TOTAL.....	
Cash flows from (to) operating activities:				
Cash received for benefits	\$ 664,060		\$ 664,060	\$ 657,283
Cash paid for benefits and administration	(528,172)		(528,172)	(405,645)
Total cash flows from operating activities.....	135,888		135,888	251,638
Cash flows from investing activities:				
Interest income	16,746		16,746	28,012
Net increase in cash and cash equivalents	152,634		152,634	279,650
Cash and cash equivalents, July 1,	279,650		279,650	
Cash and cash equivalents, June 30,	<u>\$ 432,284</u>	<u>\$ - 0 -</u>	<u>\$ 432,284</u>	<u>\$ 279,650</u>

51 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
51 PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 267,951	\$ (369,095)	\$ (101,144)	\$ (119,638)
Changes in balance sheet accounts:				
Increase (decrease) in payables	(132,063)	418,865	286,802	371,276
(Increase) in receivables		(49,770)	(49,770)	
Net cash provided by operating activities	<u>\$ 135,888</u>	<u>\$ - 0 -</u>	<u>\$ 135,888</u>	<u>\$ 251,638</u>

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	COUNSELING CENTER	WILLOUGHBY WALLACE MEMORIAL LIBRARY FUND	TOURISM FUND	TOTAL	PENSION FUND
EXPENDABLE TRUST FUNDS.....					
Cash and cash equivalents	\$66,188	\$ 13,754	\$370	\$ 80,312	\$ (3,908)
Investments		337,413		337,413	8,328,567
Accounts receivable					3,289
TOTAL.....	<u>\$66,188</u>	<u>\$351,167</u>	<u>\$370</u>	<u>\$417,725</u>	<u>\$8,327,948</u>
<u>A S S E T S</u>					
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>					
Liabilities:					
Accounts payable	\$ 3,821	\$ 3,078		\$ 6,899	
Due to other funds	556	183,719		184,275	
Due to students, employees, and others					
Total liabilities.....	4,377	186,797		191,174	
Fund balance:					
Reserved for pension benefits					\$8,327,948
Reserved for trust principal	61,811	164,370	\$370	226,551	
Unreserved and undesignated	61,811	164,370	370	226,551	8,327,948
Total fund balance.....	<u>\$66,188</u>	<u>\$351,167</u>	<u>\$370</u>	<u>\$417,725</u>	<u>\$8,327,948</u>

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

NONEXPENDABLE		AGENCY FUNDS			
..... TRUST FUNDS.....		BRANFORD CONSERVATION COMMISSION	SHELLFISH COMMISSION	ACADEMY- ON-THE- GREEN	VOLUNTEER FIREMENS/ PENSION FUND
CASPAR BLOCK SPECIAL RECREATION GRANT	TOTAL				
Cash and cash equivalents	\$61,234	\$1,408	\$9,289	\$26,926	\$ 766
Investments	75,936				126,468
Accounts receivable					
TOTAL.....	\$239,678	\$1,408	\$9,289	\$26,926	\$127,234
<u>A S S E T S</u>					
<u>L I A B I L I T I E S</u> <u>A N D</u> <u>F U N D B A L A N C E</u>					
Liabilities:					
Accounts payable	\$ 13,958				
Due to other funds	2,567	\$1,408	\$9,289	\$26,926	\$127,234
Due to students, employees, and others					
Total liabilities.....	16,525	1,408	9,289	26,926	127,234
Fund balance:					
Reserved for pension benefits	\$59,920				
Reserved for trust principal	1,314				
Unreserved and undesignated	61,234				
Total fund balance.....	\$61,234	\$1,408	\$9,289	\$26,926	\$127,234

TOWN OF BRANFORD

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	AGENCY FUNDS		TOTAL	2001
	2002	2001		
COMMISSION ON SERVICES FOR THE ELDERLY	\$6,183	\$6,077	\$624,690	\$ 929,069
BOARD OF EDUCATION HEALTH FUND	\$520,041	\$520,041	126,468	9,790,402
STUDENT ACTIVITY FUNDS			3,289	6,038
TOTAL	\$9,736,509	\$9,736,509	\$10,725,509	\$10,725,509

A S S E T S

Cash and cash equivalents	
Investments	
Accounts receivable	
TOTAL	

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	\$ 158	\$ 21,015
Due to other funds	1,965	188,807
Due to students, employees, and others	57,954	749,035
Total liabilities	60,077	958,857
Fund balance:		
Reserved for pension benefits	8,327,948	9,042,094
Reserved for trust principal	104,995	200,420
Unreserved and undesignated	344,709	788,008
Total fund balance	8,777,652	10,030,522
TOTAL	\$9,736,509	\$9,736,509

TOWN OF BRANFORD
EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	COUNSELING CENTER	WILLOUGHBY WALLACE MEMORIAL LIBRARY FUND	TOURISM FUND	2002	2001
				.....TOTAL.....	
Revenues:					
Donations and grants	\$ 68,521	\$ 14,944		\$ 83,465	\$ 91,052
Investment income	1,832	13,902	\$ 45	15,779	36,191
Net realized/unrealized gains		1,336		1,336	10,077
Total revenues.....	70,353	30,182	45	100,580	137,320
Expenditures:					
Parks, recreation and libraries	82,591	23,868	2,448	26,316	34,261
Health and human services				82,591	72,944
Total expenditures.....	82,591	23,868	2,448	108,907	107,205
Excess (deficiency) of revenues over expenditures	(12,238)	6,314	(2,403)	(8,327)	30,115
Other financing sources (uses):					
Transfers out		(383,719)		(383,719)	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(12,238)	(377,405)	(2,403)	(392,046)	30,115
Fund balance, July 1,	74,049	541,775	2,773	618,597	588,482
Fund balance, June 30,	\$ 61,811	\$ 164,370	\$ 370	\$ 226,551	\$ 618,597

TOWN OF BRANFORD

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	DAMASCUS CEMETERY FUND	LESHINE SCHOLARSHIP FUND	CASPAR BLOCK SCHOLARSHIP FUND	GUSTAF NELSON MEMORIAL FUND	JOHN B. HART FUND	CASPAR BLOCK SPECIAL RECREATION FUND	2002	2001
Revenues:								
Investment income:								
Interest and dividends	\$ 3,916	\$ 155	\$ 163	\$ 897	\$ 2,170	\$ 1,600	\$ 8,901	\$ 17,574
Net unrealized gains (losses)	(15,166)						(15,166)	14,402
Total revenues	(11,250)	155	163	897	2,170	1,600	(6,265)	31,976
Expenses:								
Scholarships		250	250	500			1,000	1,000
Maintenance	1,580					1,855	1,580	2,025
Expendable equipment					135,978		1,855	7,243
Building improvements							135,978	
Total expenses	1,580	250	250	500	135,978	1,855	140,413	10,268
Net income (loss)	(12,830)	(95)	(87)	397	(133,808)	(255)	(146,678)	21,708
Fund balance, July 1,	123,325	5,957	6,260	34,417	138,383	61,489	369,831	348,123
Fund balance, June 30,	\$110,495	\$5,862	\$6,173	\$34,814	\$ 4,575	\$61,234	\$ 223,153	\$369,831

TOWN OF BRANFORD
NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002 WITH COMPARATIVE TOTALS FOR 2001

	DAMASCUS CEMETERY FUND	LESHINE SCHOLARSHIP FUND	CASPAR BLOCK SCHOLARSHIP FUND	GUSTAF NELSON MEMORIAL FUND	JOHN B. HART FUND	CASPAR BLOCK SPECIAL RECREATION GRANT	.....TOTAL.....
Cash flows from operating activities:							
Payments for scholarship and other	\$ (1,580)	\$ (250)	\$ (250)	\$ (500)	\$ (119,453)	\$ (1,855)	\$ (123,888)
Cash flows from investing activities:							
Interest income	3,916	155	163	897	2,170	1,600	8,901
Realized losses	(2,948)					(2,948)	17,574
Net cash flows from investing activities	968	155	163	897	2,170	1,600	5,953
Net increase (decrease) in cash and cash equivalents	(612)	(95)	(87)	397	(117,283)	(255)	(117,935)
Cash and cash equivalents at beginning of year	35,171	5,957	6,260	34,417	138,383	61,489	281,677
Cash and cash equivalents at end of year	\$34,559	\$5,862	\$6,173	\$34,814	\$ 21,100	\$61,234	\$ 163,742
							\$281,677
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Net income (loss)	\$ (12,830)	\$ (95)	\$ (87)	\$ 397	\$ (133,808)	\$ (255)	\$ (146,678)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:							
Investment (income) loss included in operating income	11,250	(155)	(163)	(897)	(2,170)	(1,600)	6,265
Increase in liabilities					16,525		16,525
Net cash provided (used) by operating activities	\$ (1,580)	\$ (250)	\$ (250)	\$ (500)	\$ (119,453)	\$ (1,855)	\$ (123,888)
Noncash transactions:							
Net unrealized losses	\$12,218						\$12,218
							\$14,402

TOWN OF BRANFORD

AGENCY FUND

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2002

	BALANCE JULY 1, 2001	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2002
<u>BRANFORD CONSERVATION COMMISSION</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$1,372	\$36	\$ - 0 -	\$1,408
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$1,372	\$36	\$ - 0 -	\$1,408
<u>SHELLFISH COMMISSION</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$8,118	\$1,171	\$ - 0 -	\$9,289
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$8,118	\$1,171	\$ - 0 -	\$9,289
<u>BOARD OF EDUCATION HEALTH FUND</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$4,066	\$9,100	\$6,983	\$6,183
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$4,066	\$9,100	\$6,983	\$6,183
<u>ACADEMY-ON-THE-GREEN</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$25,295	\$2,034	\$403	\$26,926
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$25,295	\$2,034	\$403	\$26,926

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

	BALANCE JULY 1, 2001	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2002
<u>VOLUNTEER FIREMENS' PENSION FUND</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 754	\$ 27,034	\$ 27,022	\$ 766
Investments	143,548	4,276	21,356	126,468
TOTAL ASSETS.....	\$144,302	\$31,310	\$48,378	\$127,234
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$144,302	\$31,310	\$48,378	\$127,234
<u>COMMISSION ON SERVICES FOR THE ELDERLY</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$75,080	\$192,756	\$207,759	\$60,077
<u>LIABILITIES</u>				
Accounts payable		\$ 158		\$ 158
Due to other funds	\$10,400		\$ 8,435	1,965
Due to students, employees and other groups	64,680	192,598	199,324	57,954
TOTAL LIABILITIES.....	\$75,080	\$192,756	\$207,759	\$60,077
<u>STUDENT ACTIVITY FUNDS</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$433,861	\$1,429,083	\$1,342,903	\$520,041
<u>LIABILITIES</u>				
Due to students, employees and other groups	\$433,861	\$1,429,083	\$1,342,903	\$520,041

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

	BALANCE JULY 1, 2001	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2002
<u>TOTAL - ALL FUNDS</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$548,546	\$1,661,214	\$1,585,070	\$624,690
Investments	143,548	4,276	21,356	126,468
TOTAL ASSETS.....	<u>\$692,094</u>	<u>\$1,665,490</u>	<u>\$1,606,426</u>	<u>\$751,158</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 10,400	\$ 158	\$ 8,435	\$ 158
Due to other funds	681,694	1,665,332	1,597,991	1,965
Due to students, employees and other groups				749,035
TOTAL LIABILITIES.....	<u>\$692,094</u>	<u>\$1,665,490</u>	<u>\$1,606,426</u>	<u>\$751,158</u>

TOWN OF BRANFORDCOMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2002 AND 2001

	2002	2001
Land.....	\$ 5,789,590	\$ 5,789,590
Buildings.....	25,352,200	25,352,200
Equipment and personal property.....	20,752,548	19,613,534
Construction in progress.....	<u>29,182,036</u>	<u>26,375,100</u>
TOTAL	<u>\$81,076,374</u>	<u>\$77,130,424</u>
 Investment in general fixed assets.....	 <u>\$81,076,374</u>	 <u>\$77,130,424</u>

TOWN OF BRANFORDCOMPARATIVE STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2002 AND 2001

	2002	2001
<u>AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT</u>		
Amount to be provided by State grants.....	\$ 8,074,540	\$ 9,377,134
Amount to be provided by Town.....	<u>44,041,156</u>	<u>48,004,708</u>
TOTAL	<u>\$52,115,696</u>	<u>\$57,381,842</u>
<u>GENERAL LONG-TERM DEBT PAYABLE</u>		
Notes and bonds payable.....	\$43,523,652	\$47,749,149
Compensated absences.....	5,401,057	6,036,456
Landfill closure/postclosure liability.....	1,450,000	1,365,000
Early retirement incentive.....	284,058	852,173
Net pension obligation.....	<u>1,456,929</u>	<u>1,379,064</u>
TOTAL	<u>\$52,115,696</u>	<u>\$57,381,842</u>

TOWN OF BRANFORD

SCHEDULE OF LONG-TERM INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2002

DESCRIPTION	ISSUE DATE	MAFURITY DATE	ORIGINAL AMOUNT	INTEREST RATE (%)	BALANCE JULY 1, 2001	ISSUED DURING YEAR	RETIRED	OUTSTANDING JUNE 30, 2002
General:								
School	6/01/82	6/01/02	\$6,300,000	11.40	\$ 300,000		\$ 300,000	\$ 2,831,000
School	4/01/98	6/01/08	\$5,398,500	4.0-5.0	3,357,500		526,500	1,434,000
School	4/01/91	6/15/09	\$4,419,000	5.9-7.9	1,674,000		240,000	11,575,000
School	12/15/97	5/15/17	\$15,725,000	4.5-6.25	12,125,000		550,000	9,761,000
School	5/15/01	5/15/19	\$10,445,000	4.0-5.0	10,445,000		684,000	95,000
Public improvement	4/01/84	4/01/03	\$2,570,000	8.60-9.10	190,000		100,000	100,000
Public improvement	5/01/86	11/01/02	\$2,755,000	6.20-6.3	200,000		118,000	629,000
Public improvement	4/01/98	6/01/08	\$1,200,000	4.0-5.0	747,000		100,000	835,000
Public improvement	4/01/91	6/15/09	\$1,900,000	5.9-7.9	935,000		100,000	7,724,000
Public improvement	5/15/01	5/15/19	\$8,200,000	4.0-5.0	8,200,000		476,000	
Special assessment:								
Sewer	3/01/78	3/01/03	\$5,000,000	5.35	400,000		200,000	200,000
Sewer	4/01/98	6/01/08	\$354,500	4.0-5.0	220,500		34,500	186,000
Sewer	4/01/84	4/01/03	\$4,890,000	8.60-9.1	530,000		265,000	265,000
Sewer	5/01/86	11/01/02	\$700,000	6.65	50,000		25,000	25,000
Sewer	4/01/91	6/15/09	\$2,781,000	5.9-7.9	1,391,000		160,000	1,231,000
Sewer	12/15/97	5/15/17	\$530,000	4.5-6.25	90,000		25,000	65,000
Sewer	5/15/01	5/15/19	\$5,125,000	4.0-5.0	5,125,000		220,000	4,905,000
Water	4/01/98	6/01/98	\$122,000	4.0-5.0	75,000		11,000	64,000
Water	12/15/97	5/15/12	\$450,000	6.8-7.5	350,000		25,000	325,000
Total bonds					46,405,000		4,155,000	42,250,000
State of Connecticut, Clean Water	6/94	6/13		2.0	171,880		13,008	158,872
State of Connecticut, Clean Water	10/99	9/18	\$1,270,151	2.0	1,172,269		57,489	1,114,780
TOTAL					\$47,749,149	\$ - 0 -	\$4,225,497	\$43,523,652

TOWN OF BRANFORD

STATEMENT OF DEBT LIMITATION
JUNE 30, 2002

Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2002.....	\$57,097,162
Total tax collections (including interest and lien fees) of coterminous Municipalities (estimated).....	994,408
Reimbursement for revenue loss on: Elderly tax relief.....	21,849
BASE	<u>\$58,113,419</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base.	\$130,755,193				
4-1/2 times base.		\$261,510,386			
3-3/4 times base.			\$217,925,321		
3-1/4 times base.				\$188,868,612	
3 times base.....					\$174,340,257
Total	130,755,193	261,510,386	217,925,321	188,868,612	174,340,257

Indebtedness:					
Bonds payable....	9,383,000	25,601,000	8,150,652		
Bonds authorized and unissued ...			22,496,409		
School building grants receivables		(8,074,540)			
Total indebtedness	9,383,000	17,526,460	30,647,061		

Debt limitation in excess of outstanding and authorized debt..	\$121,372,193	\$243,983,926	\$187,278,260	\$188,868,612	\$174,340,257
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NOTE 1: In no case shall total indebtedness exceed seven times annual receipts from taxation \$406,793,933.

NOTE 2: Water bonds of \$389,000 are excluded from the computation above.