

City of New Britain Connecticut



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF NEW BRITAIN CONNECTICUT

FISCAL YEAR ENDED JUNE 30, 2021



Prepared by Finance Department

Lori Granato, Director of Finance

This page is intentionally left blank.

CITY OF NEW BRITAIN, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
TABLE OF CONTENTS
JUNE 30, 2021

Introductory Section		Page
	Principal Officials	i
	Organizational Chart of the City Government	ii
	Letter of Transmittal	iii-x
	Certificate of Achievement for Excellence in Financial Reporting	xi
Financial Section		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-10
	Basic Financial Statements	
Exhibit	Government-Wide Financial Statements:	
I	Statement of Net Position	11
II	Statement of Activities	12
	Fund Financial Statements:	
	Governmental Funds:	
III	Balance Sheet	13-14
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	15-16
	Proprietary Funds:	
V	Statement of Net Position	17
VI	Statement of Revenues, Expenses and Changes in Fund Net Position	18
VII	Statement of Cash Flows	19
	Fiduciary Funds:	
VIII	Statement of Net Position	20
IX	Statement of Changes in Plan Net Position	21
	Notes to Financial Statements	22-75
	Required Supplementary Information	
	General Fund:	
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	76-77
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	78-79
	Pension Funds:	
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Police	80
RSI-4	Schedule of Changes in Net Pension Liability and Related Ratios - Fire	81
RSI-5	Schedule of Employer Contributions - Police	82
RSI-6	Schedule of Employer Contributions - Fire	83
RSI-7	Schedule of Investment Returns	84
RSI-8	Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	85
RSI-9	Schedule of the City's Proportionate Share of the Net Pension Liability - Municipal Employees Retirement System	86

Exhibit		Page
RSI-10	Schedule of Employer Contributions - Municipal Employees Retirement System	87
RSI-11	Schedule of Changes in Net OPEB Liability and Related Ratios - OPEB	88
RSI-12	Schedule of Employer Contributions - OPEB	89
RSI-13	Schedule of Investment Returns - OPEB	90
RSI-14	Schedule of Changes in Net Pension Liability and Related Ratios - Elected Officials and Pre-72 Police and Fireman Plan	91
RSI-15	Schedule of Employer Contributions - Elected Officials and Pre-72 Police and Fireman Plan	92
RSI-16	Schedule of the City's Proportionate Share of the Net OPEB Liability - Teachers Retirement Plan	93

Combining and Individual Fund Statements and Schedules

	General Fund:	
A-1	Schedule of Tax Collections	94
	Nonmajor Governmental Funds:	
B-1	Combining Balance Sheet - Nonmajor Governmental Funds	95-102
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103-110
	Internal Service Funds:	
C-1	Combining Balance Sheet	111
C-2	Combining Statement of Revenues, Expenses and Changes in Net Position	112
C-3	Combining Statement of Cash Flows	113
	Fiduciary Funds:	
D-1	Combining Balance Sheet	114
D-2	Combining Statement of Changes in Plan Net Position	115

Statistical Section

Table

	Financial Trends:	
1	Net Position by Component	116
2	Changes in Net Position	117-118
3	Fund Balances, Governmental Funds	119
4	Changes in Fund Balances, Governmental Funds	120
	Revenue Capacity:	
5	Assessed Value and Estimated Actual Value of Taxable Property	121
6	Principal Property Taxpayers	122
7	Property Tax Levies and Collections	123
	Debt Capacity:	
8	Ratios of Outstanding Debt by Type	124
9	Statement of Debt Limitation	125
10	Legal Debt Margin Information	126

	Demographic and Economic Statistics:	
11	Demographic and Economic Statistics	127
12	Principal Employers	128
	Operating Information:	
13	Full-Time Equivalent City Government Employees by Function/Program	129
14	Operating Indicators by Function/Program	130
15	Capital Asset Statistics by Function/Program	131

This page is intentionally left blank.

Introductory Section

This page is intentionally left blank.

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2021**

MAYOR

Erin E. Stewart

TREASURER

Ronald Jakubowski

CITY COUNCIL

Kristian Rosado, President Pro Tempore
Daniel Salerno, Majority Leader
Francisco Santiago, Minority Leader
Wilfred Pabon, Assistant Majority Leader
Robert Smedley, Assistant Majority Leader
Chris Anderson, Assistant Minority Leader
Aram Ayalon
Sharon Beloin-Saavedra
Paul Catanzaro
Howard Dyson
Colin Osborn
Richard Reyes
Kris Rutkowski
Iris Sanchez
Michael Thompson

ADMINISTRATION

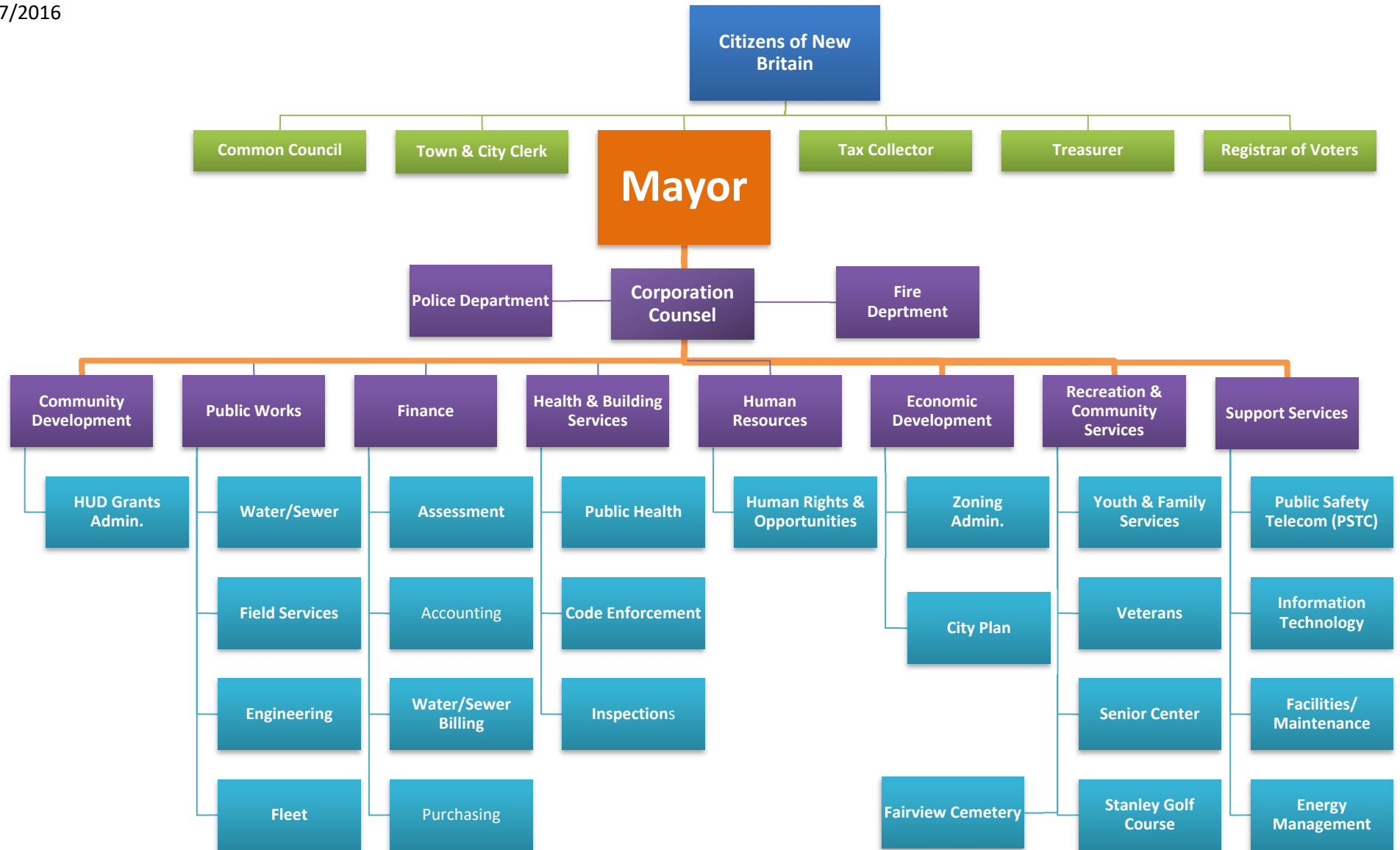
Corporation Counsel	Gennaro Bizzarro
Town Clerk	Mark Bernacki
Tax Collector	Cheryl Blogoslawski
Assessor	Michael Konik
Chief of Fire	Raul Ortiz
Chief of Police	Christopher Chute
Director of Planning & Development	John Benjamin
Director of Finance	Lori Granato
Director of Health and Building Services	Sergio Lupo
Director of Human Resources	Linda Guard
Director of Recreation and Community Services	Erik Barbieri
Director of Public Works	Mark Moriarty
Director of Support Services	Paul Salina
Director of Water	Ray Esponda

BOARD OF EDUCATION

Merrill Gay, President
Nicholas Mercier, Vice President
Violet Jimenez Sims, Secretary
Monica Dawkins
Anthony Kane
Joseph Listro
Annie Parker
Diana Reyes
Gayle Sanders-Connelly
Tina Santana
Nancy Sarra, Superintendent of Schools
Kevin Kane, Chief Financial Officer

City of New Britain Organization Chart

Rev. 9/7/2016



CITY OF NEW BRITAIN, CONNECTICUT



February 24, 2022

To the Mayor, Members of the Common Council and Citizens of the City of New Britain:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the City of New Britain for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City of New Britain. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of New Britain has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of New Britain's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of New Britain's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of New Britain's financial statements have been audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of New Britain for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of New Britain's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of New Britain was part of a broader, state and federal mandated “Single Audit” designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state and federal awards. These reports are located within the City’s ACFR.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of New Britain’s MD&A can be found immediately following the independent auditors’ report.

The Reporting Entity and Its Services

The City of New Britain is Connecticut’s eighth largest municipality, with a population in excess of 74,000. The City itself covers 13.3 square miles, and was first settled as part of the Town of Berlin in 1680, and was chartered as a City in 1871.

Sitting at the geographic center of Connecticut, New Britain is just a two hour drive from both New York City and Boston. Interstate 84, Route 9 and Route 72 all run through the City with multiple access points, and Interstate 91 lies only a few miles away. The City’s location, coupled with its easy access to all points in the state, make it highly attractive to both businesses and individuals alike.

New Britain lies only 9.2 miles from Hartford, and is part of the capital region economic zone. The City is a member of the Capital Region Council of Governments as its second-largest member, which is expected to enhance its ability to participate in regional planning and maximize state and federal grant dollars, especially those geared toward transit-oriented development. The City was one of ten municipalities nationwide to be named an All-America City in 2016 and 2017 by the National Civic League. The National Civic League evaluators pointed to New Britain’s approach to creating child-friendly environments and its focus on solving community wide challenges as reasons for the award.

In June 2020, New Britain was one of only two municipalities to be recognized for achieving the Sustainable CT Certification (the “Certification”), bronze level. The Certification program is managed by the Institute for Sustainable Energy at Eastern Connecticut State University and included initiatives that cities and towns build community connection, social equity and long term resilience. The City demonstrated significant achievements in a number of initiatives including, but not limited to, redevelopment of brownfields sites, developing an open space plan, supporting arts and creative culture, encouraging smart commuting, tracking energy use and developing sustainable, affordable housing options.

The completion of New England’s first bus rapid transit system, CTFastrak has resulted in huge ridership numbers and an opportunity for the City to build and redevelop along the route through Transit Oriented Development. A \$54 million dollar mixed use development just steps from the CTFastrak hub is currently underway in the City. When completed, the site will boast street level retail shops and workforce housing for professionals who want to live, work and play in central Connecticut.

One of the most critical impacts of CTFastrak is that it provides a direct mass transit connection between downtown New Britain and Central Connecticut State University (“CCSU”). CCSU has been located in New Britain since 1849 and is now the largest institution in Connecticut’s state university system. It has a population of 12,500 students and a faculty of nearly 800. CCSU’s offerings include degrees in arts & sciences, technology, education and graduate studies. The CCSU School of Business is the largest in

Connecticut, and the institution prides itself on its partnerships with the community. In addition to CCSU, downtown New Britain has welcomed Charter Oak College administrative offices that are located at 185 Main Street that will create more activity for local ridership and merchants. The CCSU Institute of Technology and Business Development is located in downtown New Britain and offers local businesses an array of technological and incubator resources to help them start and succeed. There continues to be discussions to increase CCSU's presence downtown, which will bring increased pedestrian traffic and create a dedicated ridership on CTFastrak.

Form of Government

New Britain became a consolidated City and Town in 1905 with a Mayor-Council-Commission form of Government. The Mayor and Council serve concurrent two-year terms and operate under a Charter adopted in 1961 with several subsequent revisions.

The Common Council, the legislative body elected biennially at large, consists of 15 Aldermen, 5 elected at large and 10 on a five-district basis (2 each). The other elected officials are City and Town Clerk, Collector of Taxes, Treasurer and three members of the Board of Assessment Appeals.

The Mayor presides at meetings of the Common Council and makes appointments to Boards and Commissions as provided in the Charter or as created by ordinance. The Mayor is an ex-officio member of all bipartisan Boards and Commissions. All department heads report directly to the Mayor.

Major Initiatives

The City of New Britain is committed to the well-being, quality of life, and standard of living for its residents. The current administration has continued to make grand list growth a primary goal in order to lower tax rate and drive affordability long-term. One way to accomplish this goal is to expand the City's economic development efforts, while at the same time, monitoring, reviewing and validating all City expenditures, both operating and capital, to ensure fiscal conservatism.

In line with these objectives, the City has continued to sell properties to employers and entrepreneurs who are building and expanding to create new jobs for New Britain's workers. The City is currently in phase 8 of its downtown streetscape project which will make the downtown area more welcoming for pedestrians, cyclists, and motorists.

The City continues to experience a positive growth within the area of Transit Oriented Development ("TOD"). Office conversions previously reported on are all within walking distance to the CTFastrak busway have either been completed or are in stages of rehabilitation. Columbus Commons apartments located at 125 Columbus Boulevard is open for tenancy and developers of the project and 100% of total occupancy has been leased. The development company also reported that potential users for the available 10,000 square feet commercial space are being interviewed, but due to current market conditions and COVID-19, progress has been slower than anticipated. The developer has hired a full time brokerage firm to assist with tenancy. In 2020, it is anticipated that negotiations between the developers of 125 Columbus Commons will request negotiations with the City of New Britain to begin Phase Two of the project that will include 70 new additional units.

222 Main Street, a former 60,000 square foot under-utilized building fronting the town green, was converted to 42 residential units and 6,000 square feet of retail space. Build-out and was completed in late 2020 and apartments were leased at full capacity by spring of 2021. The market rate housing consists of primarily one bedroom apartments and updated interior amenities. In the fall of 2021 a food hall with 4 cafes/restaurants and a full bar was opened on the first floor. Total project cost approached 10 million.

Courtside Commons located at 57 Court Street houses 24 new residential units and has been leased at full capacity for 12 months. The 26,000 square foot four story building was vacant for over 20 years and was completely renovated, but retained the charm of its architectural style and courtyard. The developer reserved four apartments specifically for veterans. The cost of the rehabilitation and fit out will exceed \$3.5 million.

27 Main Street (the Doris Building) is being converted to 20 one bedroom apartments. 5 Walnut Street is also currently being converted from office to seven studio apartments.

Downtown New Britain received a significant influx of new employees with the acquisition of 233-235 Main Street. The 70,000 square foot office/professional building was purchased in 2019 and now houses approximately 200 new employees that has been a major boost for downtown merchants. Tenancy from office to residential conversions at 87 West Main Street and 160 Main Street remain near capacity under new ownership.

Additionally, 24 Washington Street, which was purchased from the City, has been completely restored and is fully leased. The building consists of approximately 10,000 square feet and formerly known as “The Hatch Building” was in total disrepair. The basement and two floors have been completely gutted, and a new roof, exterior walls, new parking lots and lighting were added. The owners purchased the building for \$25,000 and invested over \$2 million for restoration and improvements following building code requirements.

Other new development projects in progress in the downtown area include “The Brit,” an approximately 110 unit mixed use building being built in place of a formerly vacant bank building, the Lofts at Superior Ball (recently in receipt of a State brownfields clean-up grant), and 480 Myrtle Street—a mill conversion project with plans for over 100 units.

The Energy and Innovation Park (“EIP”) will construct an approximately 20 megawatt fuel cell grid on the Stanley Black & Decker campus. The first phase of several in the one billion dollar privately funded project. The project will provide approximately 3,000 jobs and generate tax revenue upwards of \$45 million for the City of New Britain throughout the 20 year span. On October 2, 2019, Connecticut Governor Lamont joined New Britain Mayor Erin E. Stewart for the official construction kickoff ceremony. Concurrently, negotiations are ongoing with prospective data center users for the Phase II data center that includes 275,000 gross square foot facility that will offer data storage and protection to numerous entities including educational, government and private sector businesses. In 2019, the owners of EIP in partnership with a private entity announced that a 3-acre hydroponic farm will be constructed adjacent to the fuel enter facility. The hydroponic facility will be cooled and heated by the fuel cells and produce between 60,000 to 80,000 natural food products per week for natural grocery store chains throughout the country. Additionally, Phase II includes a 275,000 gross square foot data center that will offer data storage and protection to numerous entities including educational, government and private sector businesses.

Due to the COVID-19 crisis, the EIP managing partnership reported a slowdown that has had an impact on investors and the financial markets. The EIP Partnership stated “that there is no erosion with the viability of the project” and feel extremely positive with continuing the purchase of the Doosan fuel cells moving forward. The State of Connecticut and City of New Britain are in full support of the EIP. In addition, EIP partners have recently signed an approved process with Stanley Black & Decker for the hydroponic greenhouse foundation. Both Stanley Black & Decker and EIP Partnership hired separate geotechnical firms for technical advice and approval which City of New Britain officials are prepared to sign off upon completion.

New Britain is host to a variety of medical facilities to call upon, including the 436 bed Hospital of Central Connecticut (formerly New Britain General Hospital), the 7th largest hospital in the state with approximately 2,200 employees. The 200 bed Hospital for Special Care provides rehabilitation services

and elder care. These two medical anchor facilities have fueled the growth of numerous modern clinics and outpatient treatment centers, and New Britain is part of the State's Bioscience Enterprise Corridor Zone that provides economic incentives for small-to-medium sized businesses in the bioscience industry. The Hospital of Central Connecticut, in partnership with Hartford Hospital, completed a new state-of-the-art cancer treatment and research facility in January 2015. The facility is 65,000 square feet and straddles the New Britain-Plainville line. This was the first facility of its kind in Connecticut to be a full partner with Memorial Sloan-Kettering Cancer Center.

New Britain's signature and award winning "Beehive Bridge" located one block from CT Fastrak, was dedicated in early fall of 2019 and has captivated the public's eye for its creative and welcoming design. The bridge inspiration was the flight and dance of the honey bee which pays tribute to the City's seal and its motto that translates from Latin "Industry fills the hive and enjoys the honey." The honeycomb theme and translucent panels also features four bee sculptures. All panels and sculptures have the ability to glow in a variety of color schemes with internal LED lighting. The Beehive Bridge has been awarded the 2020 American Council of Engineering Companies of Connecticut (ACEC) Excellence in Engineering Award and Connecticut Main Street Award for Excellence. The iconic bridge is a gateway to New Britain's Little Poland neighborhood.

New Britain is the home of the Museum of American Art, one of the nation's leading American art collections. The state-of-the-art facility boasts over 5,000 works in its collection and drew over 70,000 patrons last year alone. In addition to the galleries themselves, the Museum has a café, a multipurpose room that seats 200, studios for art classes and a shop. The Museum has an endowment in excess of \$14 million, and has just broken ground on its latest expansion project.

The City offers ten major parks: A.W. Stanley, Stanley Quarter, Walnut Hill, Washington, Chesley, Osgood, Martha Hart, Hungerford, Willow Brook and Willow Street. Walnut Hill Park was famously designed by Frederick Law Olmstead, the architect of New York City's Central Park. Stanley Quarter Park boasts New England's largest skate park, in addition to its walking trails and playing fields. The City operates two major pools at A.W. Stanley and Willow Brook, as well as "splash pads" at Willow Street and Chesley.

In addition to these parks, New Britain owns and operates Stanley Golf Course, which has three nine-hole tracks, a restaurant and tavern, a pro shop and full practice facilities. The Stanley Golf Course attracts people from all over the state and had over 60,000 visitors last year. The Back Nine Tavern is operated by the Calvanese family, who also runs the Aqua Turf banquet facility in Southington.

New Britain has a rich history of playing host to minor league baseball, which draws thousands of residents, families, and visitors to each game every season. Starting in 1983, New Britain was home to the Red Sox and then Rock Cats from 1997 to 2015. Those teams had affiliations with Major League Baseball clubs the Colorado Rockies, Minnesota Twins, and Boston Red Sox. The City is now home to the Bees. The team is in its third year of play in the independent Atlantic League of Professional Baseball at New Britain Stadium and played its first game of this season of April 27, 2018. In 2020, the New Britain Bees switched affiliation and became members of the Futures Collegiate Baseball League.

New Britain is an ethnically diverse city, and possesses the second largest Polish-American population nationally, behind Chicago. The Little Poland district of New Britain is the City's most vibrant commercial area, and a multi-phase streetscape project is underway to better link that neighborhood with downtown. The Hispanic & Latino community has their own epicenter in the Arch Street area, with eateries and other family-owned businesses taking root.

Financial Information

The Finance Department includes Accounting, Tax Assessment, Tax Collection, City Treasurer, Purchasing, Data Processing and Risk Management. The Accounting Division maintains, monitors and controls accounting records for City funds and has responsibility for banking relations and all bank

accounts, as well as investment accounts for collecting or disbursing City funds. Bank and investment accounts are evaluated daily through on-line communication software.

The City's state of the art accounting system. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The accounts of the City are organized in funds. Each fund operates with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Budgetary control of disbursements and encumbrances against appropriations is maintained by department, division or major activity. The City also maintains an encumbrance accounting system as one technique towards accomplishing budgetary control. Additionally, the Finance Department continues to monitor expenses throughout the fiscal year in an effort to keep the costs of running the City down.

Pension Programs

All full-time City employees, except for the certified employees of the Consolidated School District, the regular members of the Police Department hired after April 1, 2000 and the regular members of the Fire Department hired after July 1, 1995, are covered under a contributory pension plan administered by the Municipal Employees' Retirement Fund ("MERF"), a State of Connecticut multiple employer Public Employee Retirement System. Regular members of the Police and Fire Departments hired prior to April 1, 2000 and July 1, 1995 respectively, participate in contributory pension plans known as the Police Benefit Fund and the Firemen's Pension Plan. The certified faculty and administrative personnel of the Board of Education participate in the contributory defined benefit plan established under Chapter 167a of the Connecticut General Statutes that is administered by the Connecticut State Teacher's Retirement Board.

MERS is the administrator of a cost sharing multiple employer public employee retirement system ("CMERS") established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS 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.

The City is the administrator of a single-employer public employee retirement system established and administered by the City to provide pension benefits for its Police and Fire Department employees. Benefits and contributions under this retirement system are established by the City and may be amended only by the City Council. The City's public employee retirement system is considered to be part of the City's financial reporting entity and is included in the City's financial reports as pension trust funds.

The City's OPEB liability is calculated to be \$47.3 million. The City's liability is relatively low because employees generally receive 7 years (10 years for Fire) of health benefits after twenty years of service.

Financial Policies

Several key policies have been developed and implemented that significantly affect the financial transactions of the City. The Fund Balance Policy is a safeguard to ensure that if the fund balance drops below five percent (5%) of operating expenditures, there will be a mechanism in place to increase the

fund balance over a specified period of time. The OPEB Policy was implemented to ensure proper funding of the City's OPEB trust fund. In addition, there are several policies that have been adopted to ensure proper investment of the City's funds, including the pension trust fund.

Debt Administration

At year end, the City had a number of debt issues outstanding. These included \$293 million of general obligation bonds. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on seven times total tax collections plus state reimbursement for revenue loss. As of June 30, 2021, the City's net general obligation bonded debt of \$443 million was well below the legal limit of \$950 million.

Risk Management

The City has not experienced any significant changes in the number and cost of insurance claims.

The City is self-insured with regards to the following types of coverage (not rounded):

Workers' Compensation (including Police and Firefighter Hypertension) - \$1 million/occurrence. Excess coverage with statutory limits applies beyond the retainage.

General Liability (including law enforcement liability) - \$500,000/occurrence; excess coverage applies up to \$1 million/occurrence, \$2 million aggregate, \$9 million excess.

Employee Dishonest coverage limit of \$500,000 (except for individually bonded Tax Collector limit of \$200,000 & individually bonded Treasurer limit of \$125,000).

Employee Medical Benefits for Board of Education and City employees with the exception of Health Organization Coverage (HMO). Stop loss coverage applies after the City has paid \$200,000 individual claims. There is no aggregate stop loss.

First dollar Auto Liability coverage on all vehicles is placed with Argonaut Insurance Company; excess Auto Liability coverage is placed with Argonaut Insurance Company. All risk property coverage is placed with Lexington Insurance Company. Coverage provides replacement value for buildings and contents. Coverage for vacant and unoccupied buildings for which rehabilitation or sale is anticipated is provided by Admiral Insurance Company on an actual cash basis. Vacant property liability is provided by Nautilus Insurance Company.

The Corporation Counsel's Office is diligently defending the City's interest in all legal matters. The City has appropriated in the fiscal year 2021 annual budget \$250,000 to assist in current and future claim defense and settlement. The City's potential liability of active claims is reviewed and updated annually by an independent actuary and such liability is made part of the City's financial statements.

Independent Audit

State Statute and the City Charter require an annual audit by an independent certified public accountant. The Statute further prescribes that each municipality's annual report shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP). This report has been prepared in accordance with these standards. The auditors' opinion has been included in this report.

Acknowledgements

The City has received the Certificate of Achievement for Excellence in Financial Reporting since the Fiscal Year of June 30, 2001. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services the Finance Department staff. Special appreciation is conveyed to the representatives from CliftonLarsonAllen, LLP. We also appreciate the continuing support of city leadership and the people of New Britain who are committed to fiscal integrity and financial leadership.

Respectfully submitted,



Lori A. Granato
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of New Britain
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

This page is intentionally left blank.

Financial Section

This page is intentionally left blank.



Independent Auditors' Report

To the Honorable Mayor and Members of the
Common Council of the City of New Britain

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Britain, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of New Britain, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Britain, Connecticut, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2021, the City of New Britain, Connecticut adopted GASB Statement No. 84 Fiduciary Activities. As a result of the implementation of this standard, the City of New Britain, Connecticut reported a restatement for the change in accounting principle (See Note 16). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Britain, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022 on our consideration of the City of New Britain, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of New Britain, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of New Britain, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
February 24, 2022

This page is intentionally left blank.

**CITY OF NEW BRITAIN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

This discussion and analysis of the City of New Britain, Connecticut's (the City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

Financial Highlights

- The City's net position decreased as a result of this year's operations. The net position of the business-type activities increased \$161k, and the net position of the governmental activities decreased by \$37.7 million.
- In its governmental activities, the City had revenues of \$353 million and expenses of \$391 million.
- In the City's business-type activities, revenues were \$14 million while expenses were \$13 million, thus increasing the net position before transfers of the business-type funds by \$1.5 million. The net position after transfers of the business-type funds increased by \$161k
- The General Fund reported a fund balance of \$24 million (\$4.5m assigned and \$19.5m unassigned).
- The tax collection rate for the current levy was 96.39%.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

In the statement of net position and the statement of activities, we divide the City into two types of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including education, public safety, public works, health and welfare, parks, recreation and libraries, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Water Department is reported here.

Fund Financial Statements

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

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

Government-Wide Financial Analysis

The City's combined net position is lower than it was one year ago, decreasing from \$63 million to \$25 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

TABLE 1
SUMMARY STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 186,863	\$ 153,190	\$ 9,278	\$ 10,806	\$ 196,141	\$ 163,996
Capital assets:						
Capital assets not being depreciated	27,673	70,358	1,977	1,977	29,650	72,335
Capital assets being depreciated, net	355,491	322,337	49,694	50,375	405,185	372,712
Total assets	<u>570,027</u>	<u>545,885</u>	<u>60,949</u>	<u>63,158</u>	<u>630,976</u>	<u>609,043</u>
Deferred Outflows of Resources	<u>78,486</u>	<u>83,606</u>	<u>652</u>	<u>699</u>	<u>79,138</u>	<u>84,305</u>
Long-term debt outstanding	566,956	581,758	6,965	9,492	573,921	591,250
Other liabilities	63,401	33,411	777	667	64,178	34,078
Total liabilities	<u>630,357</u>	<u>615,169</u>	<u>7,742</u>	<u>10,159</u>	<u>638,099</u>	<u>625,328</u>
Deferred Inflows of Resources	<u>46,939</u>	<u>5,364</u>			<u>46,939</u>	<u>5,364</u>
Net Position:						
Net investment in capital assets	122,338	131,388	45,532	43,744	167,870	175,132
Restricted	34,998	3,672			34,998	3,672
Unrestricted (deficit)	<u>(186,119)</u>	<u>(126,102)</u>	<u>8,327</u>	<u>9,954</u>	<u>(177,792)</u>	<u>(116,148)</u>
Total Net Position	<u>\$ (28,783)</u>	<u>\$ 8,958</u>	<u>\$ 53,859</u>	<u>\$ 53,698</u>	<u>\$ 25,076</u>	<u>\$ 62,656</u>

Net position of the City's governmental activities decreased in FY21 ((\$28.7) million compared to \$8.9 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - totaled \$(186) million at June 30, 2021.

This decrease in governmental net position resulted primarily due to the following factors:

- Deferred inflows of resources, in particular related to pensions and OPEB

TABLE 2
SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 25,699	\$ 24,872	\$ 12,183	\$ 12,355	\$ 37,882	\$ 37,227
Operating grants and contributions	163,948	157,787			163,948	157,787
Capital grants and contributions	4,946	5,672	530		5,476	5,672
General revenues:						
Property taxes	138,960	139,464			138,960	139,464
Grants and contributions not restricted to specific programs	13,625	13,651			13,625	13,651
Unrestricted investment earnings	3,398	1,866	5	8	3,403	1,874
Other general revenues	2,053	4,448			2,053	4,448
Total revenues	<u>352,629</u>	<u>347,760</u>	<u>12,718</u>	<u>12,363</u>	<u>365,347</u>	<u>360,123</u>
Program expenses:						
General government	12,945	14,549			12,945	14,549
Public safety	93,626	79,373			93,626	79,373
Public works	33,043	27,892			33,043	27,892
Health and welfare	7,425	9,448			7,425	9,448
Parks, recreation and libraries	11,613	13,012			11,613	13,012
Education	220,787	204,454			220,787	204,454
Interest on long-term debt	12,286	12,545			12,286	12,545
Water			11,202	10,669	11,202	10,669
Total program expenses	<u>391,725</u>	<u>361,273</u>	<u>11,202</u>	<u>10,669</u>	<u>402,927</u>	<u>371,942</u>
Increase (decrease) in net position before transfers	(39,096)	(13,513)	1,516	1,694	(37,580)	(11,819)
Transfers	<u>1,355</u>	<u>1,355</u>	<u>(1,355)</u>	<u>(1,355)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(37,741)	(12,158)	161	339	(37,580)	(11,819)
Net position at beginning of year	<u>8,958</u>	<u>20,739</u>	<u>53,698</u>	<u>53,359</u>	<u>62,656</u>	<u>74,098</u>
Restatement		<u>377</u>			<u>-</u>	<u>377</u>
Net Position at End of Year	\$ <u>(28,783)</u>	\$ <u>8,958</u>	\$ <u>53,859</u>	\$ <u>53,698</u>	\$ <u>25,076</u>	\$ <u>62,656</u>

The City's combined revenues were \$367 million. The total cost of all programs and services was \$405 million.

Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for governmental activities totaled \$352 million; property taxes (39.4%), operating grants (46.4%) and charges for services (7.3%) are the major revenue sources - contributing approximately 93.1% of the City's revenues.

Expenses for governmental activities were \$391 million, of which 49.7% were supported by program revenues and 40.3% were supported from general revenues. Expenses by function include education (56.3%), public safety (23.9%), public works (8.4%), and parks, recreation, and libraries (2.9%), which made up 91.5% of the total governmental expenses.

Table 3 presents the cost of each of the City's four largest programs - education, public safety, public works, and general government - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the final burden that was placed on the City's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Education	\$ 220,787	\$ 204,454	\$ 65,099	\$ 54,547
Public safety	93,626	79,373	88,582	74,074
Public works	33,043	27,892	10,518	3,932
General government	12,945	14,549	10,365	12,646
All others	31,324	35,005	22,568	27,743
Totals	<u>\$ 391,725</u>	<u>\$ 361,273</u>	<u>\$ 197,132</u>	<u>\$ 172,942</u>

Business-Type Activities

Revenues and expenses of the City's business-type activities amounted to \$12.7 million and \$11.2 million, respectively. Net position increased by \$161k after transfers of \$1.3M.

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$47.3 million, which is a decrease from last year's total of \$49.2 million. The decrease in the fund balance can be attributed the increase in unearned revenue related to the AARPA funding.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water Enterprise Fund amounted to \$8.3 million and those for the internal service funds amounted to \$27m. The increase in unrestricted net position for the internal service funds was due to greater contributions to the funds.

General Fund Budgetary Highlights

- Tax collections remained high in line with previous years with a collection rate of 96.39%
- \$1m in was transferred to the Capital NonRecurring Fund for the direct purchase of capital equipment including a new ladder truck
- \$10.7m was transferred to the City's medical self insurance fund
- \$3m was transferred to the police and fire pension funds

Capital Asset and Debt Administration

Capital Assets

At June 30, 2021, the City had \$435 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines – Table 4. This amount represents a net decrease (including additions and deductions) of \$10 million, or 2.2% below last year.

TABLE 4
CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,417	\$ 13,417	\$ 1,977	\$ 1,977	\$ 15,394	\$ 15,394
Construction in progress	14,256	56,941			14,256	56,941
Buildings and improvements	250,300	217,381			250,300	217,381
Equipment	8,414	7,889			8,414	7,889
Vehicles	5,821	6,376			5,821	6,376
Infrastructure	90,956	90,691			90,956	90,691
Water filtration assets			49,694	50,375	49,694	50,375
Totals	<u>\$ 383,164</u>	<u>\$ 392,695</u>	<u>\$ 51,671</u>	<u>\$ 52,352</u>	<u>\$ 434,835</u>	<u>\$ 445,047</u>

For governmental-type funds, this year's major additions included various street and paving projects that have continued throughout the year.

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2021, the City had \$291m in bonds and notes outstanding versus \$293m last year – less than a percentage decrease - as shown in Table 5.

TABLE 5
OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds (backed by the City)	\$ 291,049	\$ 293,014	\$ -	\$ -	\$ 291,049	\$ 293,014

The City's general obligation bond rating from Standard & Poor's and Fitch all national rating agencies, is A, and A- respectively. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The City's outstanding general obligation debt is significantly below this \$950 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave and liabilities from two interest rate swaps. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 10.9% versus 13.30% a year ago. This compares with the State's unemployment rate of 7.7% and the national rate of 11.2%.

These indicators were taken into account when adopting the General Fund budget for 2021-2022. Amounts available for appropriation in the General Fund were \$24.1 million, an increase of 1.9% over the final 2020 amount of \$22.2 million.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of New Britain, 27 West Main Street, New Britain, Connecticut, 06051.

This page is intentionally left blank.

Basic Financial Statements

This page is intentionally left blank.

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 101,572	\$ 2,851	\$ 104,423
Investments	31,769	12	31,781
Receivables, net	44,580	6,187	50,767
Due from Fiduciary Fund	8,697		8,697
Inventory	245	228	473
Capital assets:			
Capital assets not being depreciated	27,673	1,977	29,650
Capital assets being depreciated, net	355,491	49,694	405,185
Total assets	570,027	60,949	630,976
Deferred Outflows of Resources:			
Deferred charge on refunding	6,144	652	6,796
Changes related to pensions	59,621		59,621
Changes related to OPEB	12,721		12,721
Total deferred outflows of resources	78,486	652	79,138
Liabilities:			
Accounts and other payables	32,550	777	33,327
Loans payable			-
Unearned revenue	30,851		30,851
Noncurrent liabilities:			
Due within one year	8,108	1,714	9,822
Due in more than one year	558,848	5,251	564,099
Total liabilities	630,357	7,742	638,099
Deferred Inflows of Resources:			
Changes related to OPEB	18,157		18,157
Charges related to pensions	28,509		28,509
Advanced property tax collections	273		273
Total deferred inflows of resources	46,939	-	46,939
Net Position:			
Net investment in capital assets	122,338	45,532	167,870
Restricted for:			
Grants	26,010		26,010
Capital Improvements	5,090		5,090
Trust purposes:			
Expendable	3,898		3,898
Unrestricted	(186,119)	8,327	(177,792)
Total Net Position	\$ (28,783)	\$ 53,859	\$ 25,076

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 12,945	\$ 2,300	\$ 280	\$	\$ (10,365)	\$	\$ (10,365)
Public safety	93,626	4,609	435		(88,582)		(88,582)
Public works	33,043	14,331	3,248	4,946	(10,518)		(10,518)
Health and welfare	7,425	1,411	3,977		(2,037)		(2,037)
Parks, recreation and libraries	11,613	2,622	357		(8,634)		(8,634)
Education	220,787	426	155,262		(65,099)		(65,099)
Interest on long-term debt	12,286		389		(11,897)		(11,897)
Total governmental activities	391,725	25,699	163,948	4,946	(197,132)	-	(197,132)
Business-type activities:							
Water	11,202	12,183		530		1,511	1,511
Total	<u>\$ 402,927</u>	<u>\$ 37,882</u>	<u>\$ 163,948</u>	<u>\$ 5,476</u>	<u>(197,132)</u>	<u>1,511</u>	<u>(195,621)</u>
General revenues:							
Property taxes					138,960		138,960
Grants and contributions not restricted to specific programs					13,625		13,625
Unrestricted investment income					3,398	5	3,403
Miscellaneous					2,053		2,053
Total general revenues					<u>158,036</u>	<u>5</u>	<u>158,041</u>
Transfers					<u>1,355</u>	<u>(1,355)</u>	<u>-</u>
Change in Net Position					(37,741)	161	(37,580)
Net Position at Beginning of Year, as restated					<u>8,958</u>	<u>53,698</u>	<u>62,656</u>
Net Position at End of Year					<u>\$ (28,783)</u>	<u>\$ 53,859</u>	<u>\$ 25,076</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	<u>General</u>	<u>Capital Projects Fund</u>	<u>BOE State and Federal Grants</u>	<u>ARPA Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 22,491	\$	\$ 11,902	\$ 28,066	\$ 16,902	\$ 79,361
Investments		5,090			4,283	9,373
Accounts receivables, net	28,117		976		15,481	44,574
Due from other funds	16,517					16,517
Inventories					245	245
Total Assets	<u>\$ 67,125</u>	<u>\$ 5,090</u>	<u>\$ 12,878</u>	<u>\$ 28,066</u>	<u>\$ 36,911</u>	<u>\$ 150,070</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 16,916	\$ 980	\$ 7,411	\$	\$ 1,814	\$ 27,121
Due to other funds		7,820				7,820
Unearned revenue		966	1,819	28,066		30,851
Total liabilities	<u>16,916</u>	<u>9,766</u>	<u>9,230</u>	<u>28,066</u>	<u>1,814</u>	<u>65,792</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	25,804					25,804
Unavailable revenue - sewer use fees					6,271	6,271
Unavailable revenue - loans receivable					4,554	4,554
Advanced property tax collections	273					273
Total deferred inflows of resources	<u>26,077</u>	<u>-</u>	<u>-</u>	<u></u>	<u>10,825</u>	<u>36,902</u>
Fund balances:						
Nonspendable					4,143	4,143
Restricted		5,090	3,648		17,808	26,546
Committed		19,316			5,314	24,630
Assigned	4,550					4,550
Unassigned	19,582	(29,082)			(2,993)	(12,493)
Total fund balances	<u>24,132</u>	<u>(4,676)</u>	<u>3,648</u>	<u></u>	<u>24,272</u>	<u>47,376</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 67,125</u>	<u>\$ 5,090</u>	<u>\$ 12,878</u>	<u>\$ 28,066</u>	<u>\$ 36,911</u>	<u>\$ 150,070</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021
(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 47,376
--	-----------

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 698,618	
Less accumulated depreciation	<u>(315,454)</u>	
Net capital assets		383,164

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

Property tax receivables greater than 60 days	12,421
Interest receivable on property taxes	13,383
Housing loans receivable	4,554
Sewer receivable	6,271
Deferred outflows related to pensions	59,621
Deferred outflows related to OPEB	12,721

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

27,301

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

Bonds and notes payable	(291,049)
Clean water notes payable	(1,331)
Interest payable on bonds and notes	(4,038)
Prior service costs	(7)
Compensated absences	(6,012)
Net pension liability	(197,851)
Net OPEB liability	(47,333)
Deferred charges on refunding	6,144
Deferred discounts on refundings	994
Unamortized bond premium	(8,446)
Deferred inflows related to OPEB	(18,157)
Deferred inflows related to pensions	<u>(28,509)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>(28,783)</u></u>
---	---------------------------

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	General	Capital Projects Fund	BOE State and Federal Grants	ARPA Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 137,817	\$	\$	\$	\$	\$ 137,817
Intergovernmental	110,999	3,117	52,520		17,823	184,459
Licenses, fees and charges for goods and services	9,559				15,347	24,906
Investment earnings	48	760			998	1,806
Investment Losses					428	428
Miscellaneous	285	340			1,236	1,861
Total revenues	<u>258,708</u>	<u>4,217</u>	<u>52,520</u>		<u>35,832</u>	<u>351,277</u>
Expenditures:						
Current:						
General government	8,982				26	9,008
Public safety	57,856				238	58,094
Public works	15,148				13,697	28,845
Health and welfare	2,977				5,334	8,311
Education	148,705		52,226		7,086	208,017
Parks and recreation	8,032				2,918	10,950
Capital outlay		10,161				10,161
Debt service	16,352	6,143				22,495
Total expenditures	<u>258,052</u>	<u>16,304</u>	<u>52,226</u>		<u>29,299</u>	<u>355,881</u>
Excess (Deficiency) of Revenues over Expenditures	<u>656</u>	<u>(12,087)</u>	<u>294</u>		<u>6,533</u>	<u>(4,604)</u>
Other Financing Sources (Uses):						
Transfers in	2,464	1,000			265	3,729
Transfers out	(1,265)	(131)			(978)	(2,374)
Issuance of refunding bonds		60,355				60,355
Discount on refunding bonds		(880)				(880)
Payment to refund bond escrow agent		(58,433)				(58,433)
Total other financing sources (uses)	<u>1,199</u>	<u>1,911</u>	<u>-</u>		<u>(713)</u>	<u>2,397</u>
Net Change in Fund Balances	1,855	(10,176)	294		5,820	(2,207)
Fund Balances at Beginning of Year, as Restated	<u>22,277</u>	<u>5,500</u>	<u>3,354</u>		<u>18,452</u>	<u>49,583</u>
Fund Balances at End of Year	<u>\$ 24,132</u>	<u>\$ (4,676)</u>	<u>\$ 3,648</u>	<u>\$</u>	<u>\$ 24,272</u>	<u>\$ 47,376</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances - Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,207)
---	------------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay and other expenditures	3,486
Depreciation expense	(12,990)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (27)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	799
Property tax interest and lien revenue - accrual basis change	344
Housing loans receivable	6
Sewer receivables	(169)
Change in deferred inflows related to OPEB	(18,157)
Change in deferred inflows related to pensions	(23,404)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Proceeds from general obligation refunding bonds	(60,355)
Discounts on refundings	880
Bond principal payments	9,085
Payments on clean water fund notes	349
Payments to escrow agent	58,433

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	301
Change in prior service costs	6
Accrued interest	(1,363)
Amortization of deferred charge on refunding	(573)
Amortization of bond premium	2,170
Amortization of bond discounts	(205)
Net OPEB income	22,121
Net pension expense	(16,268)
Change in deferred outflows related to pensions	(2,841)
Change in deferred outflows related to OPEB	(2,566)

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

5,404

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (37,741)</u>
--	--------------------

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021
(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,851	\$ 22,211
Investments	12	22,396
Receivables:		
Other, net of allowance for uncollectible	6,187	6
Inventory	228	
Total current assets	<u>9,278</u>	<u>44,613</u>
Noncurrent assets:		
Capital assets, net	51,671	
Total assets	<u>60,949</u>	<u>44,613</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	<u>652</u>	
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	777	1,391
Compensated absences	99	
Current portion of bonds and notes payable	1,615	
Total current liabilities	<u>2,491</u>	<u>1,391</u>
Noncurrent liabilities:		
Bonds and notes payable	5,176	
Compensated absences	75	
Claim reserves		15,921
Total noncurrent liabilities	<u>5,251</u>	<u>15,921</u>
Total liabilities	<u>7,742</u>	<u>17,312</u>
Net Position:		
Net investment in capital assets	45,532	
Unrestricted	<u>8,327</u>	<u>27,301</u>
Total Net Position	<u>\$ 53,859</u>	<u>\$ 27,301</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Business-Type Activities	Governmental Activities
	Water	Internal
	Enterprise Fund	Service Funds
Operating Revenues:		
Charges for services and goods	\$ 12,183	\$
Charges to other funds		38,513
Other		2,263
Total operating revenues	<u>12,183</u>	<u>40,776</u>
Operating Expenses:		
Cost of sales, services and administration	9,112	
Administration and general expense		1,752
Depreciation expense	1,888	
Claims incurred		35,831
Total operating expenses	<u>11,000</u>	<u>37,583</u>
Operating Income	<u>1,183</u>	<u>3,193</u>
Nonoperating Revenues (Expenses):		
Income on investments	5	2,211
Interest expense	(202)	
Net nonoperating revenues (expenses)	<u>(197)</u>	<u>2,211</u>
Change in Net Position Before Transfers and Contributions	986	5,404
Transfers and Contributions:		
Transfers out	(1,355)	
Capital Contributions	530	
Total transfers and Contributions	<u>(825)</u>	<u></u>
Change in Net Position	161	5,404
Total Net Position at Beginning of Year	<u>53,698</u>	<u>21,897</u>
Total Net Position at End of Year	<u>\$ 53,859</u>	<u>\$ 27,301</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from charges to other funds	\$ 12,788	\$ 38,513
Cash received from customers		2,267
Cash received from other operating activities	(8,997)	(1,752)
Cash paid for premiums and other operating expenses		(35,684)
Cash payments for claims made		
Net cash provided by (used in) operating activities	<u>3,791</u>	<u>3,344</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds		15,809
Transfers to other funds	(1,355)	(15,809)
Net cash used in noncapital financing activities	<u>(1,355)</u>	<u>-</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(1,215)	
Payment of loan obligation	(1,986)	
Interest paid on capital debt	(202)	
Net cash provided by (used in) capital financing activities	<u>(3,403)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	5	2,211
Actuarial claim reserve		855
Purchase of investments		(2,055)
Net cash provided by (used in) investing activities	<u>5</u>	<u>1,011</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(962)	4,355
Cash and Cash Equivalents at Beginning of Year	<u>3,813</u>	<u>17,856</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,851</u>	<u>\$ 22,211</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 1,183	\$ 3,193
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,888	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	558	4
(Increase) decrease in other deferred asset	47	
(Increase) decrease in inventory	16	
Increase (decrease) in accounts payable and accrued expenses	99	147
Total adjustments	<u>2,608</u>	<u>151</u>
Net Cash Provided (Used in) by Operating Activities	<u>\$ 3,791</u>	<u>\$ 3,344</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Downtown District
Assets:		
Cash and cash equivalents	\$ 1,353	\$ 46
Investments, at fair value:		
Mutual Funds - Equities	129,100	
Mutual Funds - Bonds	38,078	
US Government Securities	6,249	
Corporate Bonds	5,075	
	<u>179,855</u>	<u>46</u>
Total Assets	<u>179,855</u>	<u>46</u>
Liabilities:		
Due to other funds	\$ 8,697	\$
	<u>8,697</u>	<u></u>
Total Liabilities	<u>8,697</u>	<u></u>
Net Position:		
Restricted for Pension and Other Post Retirement Benefits	171,158	
Restricted for Other Governments		46
	<u>\$ 171,158</u>	<u>\$ 46</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Downtown District
Additions:		
Contributions:		
Employer	\$ 10,938	\$
Employee	204	
Total contributions	11,142	
Investment income:		
Net change in fair value of investments	39,738	
Interest and dividends	1,949	
Total investment income	41,687	
Less investment expense	(156)	
Net investment income	41,531	
Payments of property tax for other governments		216
Total additions	52,673	216
Deductions:		
Benefits	23,092	
Administration	62	
Payments to other entities		187
Total deductions	23,154	187
Change in Net Position	29,519	29
Net Position at Beginning of Year, as restated	141,639	17
Net Position at End of Year	\$ 171,158	\$ 46

The accompanying notes are an integral part of the financial statements

This page is intentionally left blank.

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of New Britain (the City) 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 City are described below.

A. Reporting Entity

Primary Government

The City of New Britain, Connecticut (the City) became a consolidated City in 1905 with a Mayor-Council-Commission form of government. The Mayor and Council serve concurrent two-year terms and operate under a Charter adopted in 1961, with the latest revision in 2016. The Common Council, the legislative body, is comprised of fifteen (15) Aldermen elected biennially: consisting of two (2) members elected from each of the five (5) Common Council Districts and five (5) elected at large. Other elected officials include the City and Town Clerk, Collector of Taxes, Treasurer and three (3) members of the Board of Assessment Appeals.

The municipal budget is prepared by the Board of Finance and Taxation and the Mayor who submits recommendations to the Common Council for adoption.

All department heads report directly to the Mayor.

The City has the power to incur indebtedness by issuing bonds or notes as provided by Charter and Connecticut General Statutes.

The City operates and maintains a public water supply system, known as the City of New Britain Water Department.

The City provides the following services as authorized by its Charter: Education, Water, Sewer, Refuse, Public Works, Public Safety, Parks, Recreation, Libraries and Health and Human Services.

Joint Ventures

The City is a participant in one joint venture as described below.

Bristol Resource Recovery Facility Operating Committee

The City is a participant with fourteen other cities and towns in a joint venture, the Bristol Resource Recovery Facility (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of the Contracting Municipalities in dealing with the trash-to-energy plant built by Ogden Martin Systems of Bristol, Inc., now known as Covanta Bristol, Inc. (Covanta). The governing board consists of City officials appointed by each of the participating municipalities and assumes all the management decisions.

A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

Jointly Governed Organizations

The Mattabassett District

The Mattabassett District is a quasi-municipal district established in accordance with State statutes to provide sewer treatment services for the Towns of Berlin, Cromwell, Newington, Rocky Hill and the Cities of New Britain and Middletown. A sixteen-person Board of Directors is appointed by the four member towns of Berlin, Cromwell, New Britain and Middletown appointing five members, Berlin appoints three members and Cromwell appoints three members. The Board of Directors is responsible for hiring, firing, purchasing, administration, budget adoption and fiscal operations. The District may issue bonds in its own name. The Mattabassett District levies its annual assessment, which the City is obligated to pay.

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established two single-employer Public Retirement Systems (PERS) and one postretirement health care benefits (OPEB) plan to provide retirement benefits and post-retirement health care benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. The major sources of revenue for this fund are property taxes and governmental grants.

The Capital Projects Fund is used to account for the financial resources for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The major sources of revenue for this fund are bond proceeds and governmental grants.

The BOE State and Federal Grants Fund accounts for educational grant programs funded by the federal and state government and other local agencies. The major source of revenue for this fund is governmental grants.

The ARPA Fund accounts for expenditures under the American Rescue Plan Act. The major source of revenue for this fund is from the federal government passed through the State of Connecticut.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

The City reports the following major proprietary funds:

The Water Enterprise Fund accounts for all activities related to the transmission and distribution of drinking water.

Additionally, the City reports the following fund types:

The Internal Service Funds account for the risk management activities for the City.

The Pension and OPEB Trust Fund accounts for the activities of the New Britain police and fire retirement system, which accumulates resources for pension benefit payments to qualified City employees and also the activities of the City and Board of Education for other post employment benefits payments to qualified retired employees.

Custodial fund accounts fiduciary activities related to the collection of taxes for the Downtown District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Enterprise Fund, and of the City's Internal Service Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles.

The City’s property taxes are levied each June on 70% of the assessed value listed on the prior October 1 Grand List for all taxable property located in the City. Although taxes are levied in June, the legal right to attach property does not exist until July 1 and, as such, taxes are due and payable in two installments on July 1 and January 1 following the date of the Grand List. Taxes are overdue on August 1, and interest is levied at 1-1/2% per month. The City files liens against property if taxes, which are due July 1, remain unpaid on the following June 30.

The City has established a reserve in the amount of \$4,930 for property taxes receivable and interest receivable that are deemed to be uncollectible.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of five years. The government reports infrastructure on a subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtracking (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated acquisition value at the date of its donation.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Buildings	25-50
Building improvements	20
Machinery and equipment	5-20
Vehicles	5
Infrastructure	10-65

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pensions and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pensions and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows related to pensions and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pensions and OPEB result from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes,

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

sewer fees and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Under the terms of its various union contracts, City and Board of Education employees are permitted to accumulate earned but unused sick pay benefits and, with approval, vacation benefits. The accumulated liability for sick time and vacation, as reported in the governmental funds, at the end of fiscal year was valued at \$6,012. The City and Board of Education compensated absences are generally liquidated by the General Fund.

J. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

M. Fund Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of “restricted” or “invested in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City of New Britain Common Council). A resolution approved by the Common Council of the City of New Britain is required to modify or rescind a fund balance commitment.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

N. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City uses the following procedures in establishing the budgetary data included in the financial statements for the General Fund, the City's only budgeted fund.

City department heads are required to submit to the Mayor estimates in detail of the amounts of money required by their department for the ensuing fiscal year. For these submissions, the Mayor and the Board of Finance and Taxation shall prepare an annual budget of the City. The proposed budget shall include the rate of taxation, a statement of bonds to mature and interest payable as well as the capital budget. The final vote of the Common Council to approve the Mayor's proposed budget for the ensuing fiscal year shall be by majority vote. If the Mayor shall disapprove, he shall issue a veto message and a two-thirds vote of the Common Council shall be required to override the veto.

Advisory budgets for Special Revenue Funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. In some instances, such budgets comprehend more than one fiscal year and are comprehending a fiscal period that does not coincide with the City's fiscal year. Such budgets are not legally adopted by the City.

Legal authorization for Capital Projects Fund spending is provided by the related bond ordinances and/or intergovernmental grant agreements.

Special appropriations requiring an increase in estimated income and expenditures in any fund shall be approved by two-thirds vote of the Common Council. A transfer of monies external to a departmental budget shall be authorized by a majority vote of the Common Council. The Mayor shall be authorized to transfer monies within a department budget upon written request. The limit for any individual line item transfer shall depend on its classification, which is spelled out in the ordinance.

Additional appropriations for the fiscal year were \$2,852.

The City's budgeting system requires accounting for certain transactions be on a basis other than generally accepted accounting principles (GAAP basis). A major difference between the budget and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures in the current year, whereas, on a GAAP basis, encumbrances are recorded as reservations of fund balance.

Unencumbered appropriations lapse at year-end with the exception of the Capital Projects Fund.

Also, in accordance with the provision of GASB Statement No. 24, the City has reported "on-behalf" payments made by the State of Connecticut into the teachers' retirement system in the governmental funds.

Encumbrance are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year-end. There were no open encumbrances at the end of the year.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

B. Deficit Fund Equity

The following funds have a deficit fund balance/net position at June 30, 2021:

Major:	
Capital Projects Fund	\$ 4,676
Nonmajor:	
Special Revenue Funds:	
Stanley Quarter Park	592
Cemetery	607
Local Capital Improvement	90
21st Century After School Grant	42
Exercise the Right Choice II	4
Immunization Action Plan	23
Centralized and Distribution Services	236
Federal Omnibus Appropriation	27
Highway Safety	307
Assistance to CCSU Police Department	3
ARRA Paving Program	94
Public Works Grant	765
Fireworks fund	25
Business Outreach Center	52
Emergency Shelter Grant	39
Redevelopment Commission	6
Brownfield Pilot	5
EFSP Program	13
Neighborhood Stabilization Program	53
Camp Schade	10
Internal Service Funds:	
Workers' Compensation	1,383

The Special Revenue Funds deficit balances will be eliminated by program income. Internal Service funds deficit balances will be eliminated from future contributions from the General Fund.

C. Expenditures Over Appropriations

The following Individual lines within the General Fund budget indicated expenditures that exceeded their appropriations:

<u>Department</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Willow Brook Sports Complex	\$ 52	\$ 54	\$ (2)
City Supported Agencies	3,351	3,387	(36)
Administration	102	167	(65)

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$101,324 of the City’s bank balance of \$104,020 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 90,931
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>10,393</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 101,324</u></u>

The City had no cash equivalents at June 30, 2021.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Investments

As of June 30, 2021, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-bearing investments:				
U.S. Government Securities	\$ 3,662	\$ 150	\$ 2,626	\$ 886
U.S. Government Backed Agencies	2,588	188	837	1,563
Corporate Bonds	<u>20,231</u>	<u>3,497</u>	<u>14,230</u>	<u>2,504</u>
Total	26,481	\$ <u>3,835</u>	\$ <u>17,693</u>	\$ <u>4,953</u>
Other investments:				
Mutual Funds - Equities	141,718			
Mutual Funds - Bonds	<u>42,084</u>			
Total Investments	\$ 210,283			

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies	Bond Mutual Funds
Aaa	\$ 615	\$ 3,662	\$	
Aa1	399			
Aa2	833			
Aa3	102			
A1	2,574			
A2	3,460			
A3	3,098			
Baa1	2,739			
Baa2	2,792			
Baa3	253			
Ba1	231			
Ba3	222			
B1	104			
B2	41			
B3	57			
Caa1	56			
Unrated	2,655		2,588	42,084
	\$ 20,231	\$ 3,662	\$ 2,588	\$ 42,084

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

The City has the following recurring fair value measurements as of June 30, 2021:

	June 30, 2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government Securities	\$ 3,662	\$ 3,662	\$	\$
U.S. Government Backed Agencies	2,588		2,588	
Corporate Bonds	20,231	15,156	4,986	89
Mutual Funds	183,802	180,241	3,561	
Total investments by fair value level	\$ 210,283	\$ 199,059	\$ 11,135	\$ 89

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The City has no Level 3 investments.

Interest Rate Risk

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

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The City has no policy limiting an investment in any one issuer that is in excess of 5% of the City's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2021, the City had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>BOE State and Federal Grants</u>	<u>Nonmajor and Other Funds</u>	<u>Business Activities Water Enterprise</u>	<u>Total</u>
Receivables:						
Interest	\$ 14,418	\$	\$	\$	\$	\$ 14,418
Taxes	17,380					17,380
Water					6,628	6,628
Sewer				8,072		8,072
Accounts	1,249			50		1,299
Intergovernmental		-	976	4,043		5,019
Housing loans				3,322		3,322
Gross receivables	<u>33,047</u>	<u>-</u>	<u>976</u>	<u>15,487</u>	<u>6,628</u>	<u>56,138</u>
Less allowance for uncollectibles	<u>(4,930)</u>				<u>(441)</u>	<u>(5,371)</u>
Net Total Receivables	<u>\$ 28,117</u>	<u>\$ -</u>	<u>\$ 976</u>	<u>\$ 15,487</u>	<u>\$ 6,187</u>	<u>\$ 50,767</u>

Revenues are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to:	
Property taxes	\$ 4,930
Water receivables	<u>441</u>
Total	<u>\$ 5,371</u>

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,417	\$	\$	\$ 13,417
Construction in progress	56,941	2,094	44,779	14,256
Total capital assets not being depreciated	<u>70,358</u>	<u>2,094</u>	<u>44,779</u>	<u>27,673</u>
Capital assets being depreciated:				
Land improvements	42,392			42,392
Buildings	358,660	41,228		399,888
Machinery and equipment	23,024	1,625	10	24,639
Vehicles	27,851	1,286	292	28,845
Infrastructure	173,149	2,032		175,181
Total capital assets being depreciated	<u>625,076</u>	<u>46,171</u>	<u>302</u>	<u>670,945</u>
Less accumulated depreciation for:				
Land improvements	21,305	1,123		22,428
Buildings	162,366	7,186		169,552
Machinery and equipment	15,135	1,100	10	16,225
Vehicles	21,475	1,814	265	23,024
Infrastructure	82,458	1,767		84,225
Total accumulated depreciation	<u>302,739</u>	<u>12,990</u>	<u>275</u>	<u>315,454</u>
Total capital assets being depreciated, net	<u>322,337</u>	<u>33,181</u>	<u>27</u>	<u>355,491</u>
Governmental Activities Capital Assets, Net	<u>\$ 392,695</u>	<u>\$ 35,275</u>	<u>\$ 44,806</u>	<u>\$ 383,164</u>

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,977	\$	\$	\$ 1,977
Capital assets being depreciated:				
Source of supply	5,973	38		6,011
Pumping plant	2,826			2,826
Water treatment plant	2,868	738	516	3,090
Filter plant	57,307			57,307
Machinery and equipment	2,723	467		3,190
Transmission and distribution	15,007	65	15	15,057
General plant and administrative equipment	321	25		346
Total capital assets being depreciated	<u>87,025</u>	<u>1,333</u>	<u>531</u>	<u>87,827</u>
Less accumulated depreciation for:				
Source of supply	3,141	64		3,205
Pumping plant	2,056	41		2,097
Water treatment plant	1,097	109	390	816
Filter plant	18,078	1,147		19,225
Machinery and equipment	2,286	94		2,380
Transmission and distribution	9,811	426	14	10,223
General plant and administrative	181	6		187
Total accumulated depreciation	<u>36,650</u>	<u>1,887</u>	<u>404</u>	<u>38,133</u>
Total capital assets being depreciated, net	<u>50,375</u>	<u>(554)</u>	<u>127</u>	<u>49,694</u>
Business-Type Activities Capital Assets, Net	\$ <u>52,352</u>	\$ <u>(554)</u>	\$ <u>127</u>	\$ <u>51,671</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,205
Public safety	2,626
Public works	2,731
Health and social services	10
Parks and recreation	660
Education	<u>5,758</u>
Total Depreciation Expense - Governmental Activities	\$ <u>12,990</u>
Business-type activities:	
Enterprise Fund - Water Depreciation Expense	\$ <u>1,887</u>

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Construction Commitments

The City has active construction projects as of June 30, 2021. The following is a summary of capital projects as of June 30, 2021:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Remaining Commitment</u>
Public buildings	\$ 40,027	\$ 39,555	\$ 472
Schools	172,104	105,808	66,296
Infrastructure	97,082	88,280	8,802
Parks and recreation	22,557	22,271	286
Other	364,632	256,108	108,524

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances. A summary of interfund balances as of June 30, 2021 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Capital Projects	\$ 7,820
General Fund	Pension Trust Funds	8,697
Total		\$ <u>16,517</u>

The Pension Trust Funds will reimburse the General Fund in fiscal year 2022 from employee contributions and investment earnings. The Capital Projects will reimburse the General Fund when the projects are permanently bonded.

Interfund transfers:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 1,000	\$ 265	\$ 1,265
Capital Projects	131			131
Nonmajor Governmental Funds	978			978
Water Fund	1,355			1,355
Total Transfers In	\$ <u>2,464</u>	\$ <u>1,000</u>	\$ <u>265</u>	\$ <u>3,729</u>

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

7. LONG-TERM DEBT

A schedule of bond indebtedness as of June 30, 2021 is as follows:

	Interest Rate %	Original Issue	Date of Issue	Date of Maturity	Balance Outstanding
Consolidated School District:					
2008 Series A	2.8 - 5.0	\$ 1,750	4/1/2008	4/15/2022	\$ 346
2013 Series	2.0 - 4.0	2,800	3/19/2013	3/15/2033	985
2015 Series A	3.0 - 5.0	9,935	3/19/2015	3/1/2035	3,822
2016 Series A Refunding	0.82 - 5.0	9,082	1/28/2016	3/1/2025	416
2017 Series C	5.0	9,108	3/15/2017	3/15/2037	8,222
2018 Series Refunding	4.032-4.402	16,615	5/15/2018	3/1/2039	16,615
2019 Series	5.0	11,360	12/10/2019	9/1/2044	10,755
2020 Series A	3.0	141	8/19/2020	9/1/2044	141
2002 Series B	.891-3.250	9,428	8/19/2020	9/1/2042	9,428
Subtotal		70,219			50,730
Public Improvement:					
2005 MERF Pension Bond	4.93	1,450	6/1/2005	6/5/2023	225
2008 Series A	2.8 - 5.0	11,215	4/1/2008	4/1/2028	2,219
2008 Series B (2005 Water Refund)	2.8 - 5.0	14,170	4/1/2008	4/1/2035	3,379
2013 Series	4.0 - 5.0	16,425	3/19/2013	3/15/2033	5,760
2015 Series A	0.82 - 5.0	19,065	1/28/2016	3/1/2035	7,333
2016 Series A Refunding	5.0	35,463	3/1/2017	3/1/2022	1,624
2017 Series C	5.0	44,037	3/15/2017	3/15/2037	39,748
2018 Series Refunding	4.032-4.402	75,030	5/15/2018	3/1/2039	75,030
2018 Series B	3.75-5.25	23,320	12/19/2018	9/1/2038	18,995
2018 Series C	3.75-5.25	5,650	12/19/2018	9/1/2038	5,020
2020 Series A	3.0	21,174	08/19/20	09/01/44	21,174
2020 Series B	0.891 - 3.250	29,612	08/19/20	09/01/42	29,612
Subtotal		296,611			210,119
General Obligation Pension Bonds:					
2015 Series A	1.901 - 4.034	56,000	4/15/2015	2/1/2026	30,200
Total Governmental Activities		\$ 422,830			\$ 291,049

General Long-Term Bonded Debt

The City uses all of the above general long-term bonded debt for the acquisition and construction of capital assets except for the General Obligation Pension Bonds of 1998 and the MERF Bonds of 2005.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 293,014	\$ 60,355	\$ 62,320	\$ 291,049	\$ 5,730
Bond premiums	14,954		6,508	8,446	
Bond discounts	(319)	(880)	(205)	(994)	
Total general obligation bonds	<u>307,649</u>	<u>59,475</u>	<u>68,623</u>	<u>298,501</u>	<u>5,730</u>
Notes Payable:					
Clean Water notes	1,680		349	1,331	349
Other liabilities:					
Net OPEB liability	69,454		22,121	47,333	
Compensated absences	6,313	33	334	6,012	2,022
Net pension liability	181,583	16,268		197,851	
MERS prior service costs	13		6	7	7
Risk management	<u>15,066</u>	<u>855</u>		<u>15,921</u>	
Governmental Activities Long-Term Liabilities	<u>\$ 581,758</u>	<u>\$ 76,631</u>	<u>\$ 91,433</u>	<u>\$ 566,956</u>	<u>\$ 8,108</u>
Business-Type Activities:					
Bonds payable	\$ 2,016	\$	\$ 530	\$ 1,486	\$
Notes payable:					
Clean Water notes	7,291		1,986	5,305	1,615
Compensated absences	<u>185</u>	<u>14</u>	<u>25</u>	<u>174</u>	<u>99</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 9,492</u>	<u>\$ 14,000</u>	<u>\$ 2,541</u>	<u>\$ 6,965</u>	<u>\$ 1,714</u>

Expenditures for compensated absences and net pension liabilities will be funded through the General Fund and the Water Enterprise fund. OPEB expense will be funded by the health insurance fund and OPEB Trust Funds.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Debt Limit

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 305,492	\$ 241,318	\$ 64,174
Schools	610,983	156,612	454,371
Sewers	509,153	25,927	483,226
Urban renewal	441,266		441,266
Pension deficit	407,322		407,322

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$950,418).

The indebtedness above includes \$141,540 of authorized bonds that were unissued as of June 30, 2021 for various projects.

The Water Department Enterprise Fund is used to account for the operations of the City of New Britain Water Department in a manner similar to private business enterprises. Under Section 7-374B of the General Statutes of Connecticut, water bonds are treated as self-liquidating debt and are excluded in determining the net bonded debt.

Subway bonds represent debt related to constructing and maintaining underground conduits for electric light and telephone wires and cables. The bonds are general obligations of the City, which are financed by assessments levied against the utility companies which use the system. Under Section 7-374B of the General Statutes, the bonds are treated as self-liquidating and are excluded in determining the net bonded debt.

Overlapping Debt

As explained in Note 1, the Mattabassett District has been empowered by the State of Connecticut to issue bonds in its own name. The Mattabassett District has outstanding an \$83,428 debt issued under the State of Connecticut's Clean Water Revolving Fund Program in connection with the design and construction of a Waste Water Pollution Facility Nitrogen Upgrade Project. As a member of the Mattabassett District, the City is assessed a pro-rate share of 37.99% of the District debt, which is reflected as overlapping debt. As of June 30, 2021, \$53,013 has been drawn upon and \$20,137 represents the City's share of the debt as of that date.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

The maturities relating to all bonds and serial notes of the governmental activities of the City as of June 30, 2021 are as follows:

Year Ending June 30,	Principal General Obligation	Principal Clean Water Notes	Interest General Obligation	Interest Clean Water Notes	Total
2022	\$ 5,730	\$ 349	\$ 11,932	\$ 23	\$ 18,034
2023	7,925	300	11,723	17	19,965
2024	8,025	222	11,487	12	19,746
2025	13,155	98	11,211	8	24,472
2026	13,270	98	10,611	6	23,985
2027	13,010	72	10,052	4	23,138
2028	13,035	35	9,538	4	22,612
2029	13,935	35	8,947	3	22,920
2030	14,580	35	8,315	2	22,932
2031	15,450	35	7,646	1	23,132
2032	14,549	35	6,948	1	21,533
2033	15,015	17	6,260		21,292
2034	15,075		5,584		20,659
2035	16,155		4,889	-	21,044
2036	15,490		4,168		19,658
2037	14,540		3,503		18,043
2038	12,845		2,802		15,647
2039	12,270		2,249		14,519
2040	10,780		1,615		12,395
2041	10,295		1,274		11,569
2042	9,795		949		10,744
2043	9,270		648		9,918
2044	8,715		375		9,090
2045	8,140		122		8,262
	-				-
Total	\$ 291,049	\$ 1,331	\$ 142,848	\$ 81	\$ 435,309

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

The maturities relating to all bonds and serial notes of the business-type activities of the City as of June 30, 2021 are as follows:

Year Ending June 30,	Principal Clean Water Notes	Revenue Bonds	Interest Clean Water Notes	Interest Revenue Bonds	Total
2022	\$ 1,616	\$	\$ 100	\$ 83	\$ 1,799
2023	1,351		66	83	1,500
2024	551		39	83	673
2025	151		35	83	269
2026	151		32	83	266
2027	151		29	74	254
2028	151		25	65	241
2029	151		22	55	228
2030	151	-	19	46	216
2031	151		16	37	204
2032	151	421	13	27	612
2033	151	535	10	51	747
2034	151	530	7	25	713
2035	151		4		155
2036	126		1		127
	-				
Total	\$ 5,305	\$ 1,486	\$ 418	\$ 795	\$ 8,004

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

In August of 2020, the City issued \$21,315 and \$39,040 in General Obligation Refunding Bonds with interest rates between .891-3.25% and a maturity dates of 09/01/2042 and 09/01/2044, respectively. The bonds were issued to advance refund the City's debt as follows:

General Obligation Bonds Series 2006	\$	1,160
General Obligation Bonds Series 2007		905
General Obligation Bonds Series 2009		3,600
General Obligation Bonds Series 2008B		530
General Obligation Bonds Series 2010B, SERIAL		5,400
General Obligation Bonds Series 2010B, TERM 24		3,600
General Obligation Bonds Series 2010B, TERM 26		3,600
General Obligation Bonds Series 2010B, TERM 30		6,335
General Obligation Bonds Series 2012		1,465
General Obligation Bonds Series 2015A, TERM 33		4,175
General Obligation Bonds Series 2015A, TERM 35		2,200
General Obligation Refunding Bonds Series 2016A		5,100
General Obligation Refunding Bonds Series 2017A		4,430
General Obligation Bonds Series 2017C SERIAL		2,580
General Obligation Bonds Series 2017C TERM 23		2,595
General Obligation Bonds Series 2018B		4,325
General Obligation Bonds Series 2018C		630
General Obligation Bonds Series 2019		605
Total Amount Refunded	\$	<u>53,235</u>

The net proceeds of \$58,433 (after an original discount of \$880 and payment of \$1,042) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United States of America to provide all future debt service payments on the refunded bonds. As of June 30, 2021, the amount of defeased debt outstanding from all the City's refundings was \$97,575. This amount is removed from the governmental activities column of the statement of net position. The refunding will reduce total debt service payments over the next 10 years. The debt service overall for the next 25 years will increase by approximately \$31,662 and represent an economic loss (difference between present values of the debt service payments on the old and new debt) of \$4.5 million.

8. RISK MANAGEMENT

Insurance coverages are purchased by the City for the following exposures:

- Property damage
- Auto liability
- Boiler and machinery exposures

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Property Damage

Purchased insurance covers physical loss or damage to City property (other than vehicles). Generally, the deductible is \$25; different deductibles apply to certain classes of property and types of loss. The City maintains a blanket building and contents policy on a 90% co-insurance coverage basis.

Auto Liability

The insured limit of coverage is \$3,000 with no deductible; uninsured/underinsured motorists' coverage is \$40, no deductible. The policy provides liability coverage for both vehicles and mobile equipment.

Boiler and Machinery Exposures

Insurance coverage includes direct damage limit per accident of \$40; the deductible is \$25. This policy provides coverage for damage resulting from sudden and accidental breakdown of boilers, refrigeration and air conditioning equipment, pressure vessels, piping and accessory equipment.

Self-Insurance Plans

The City is self-insured, or maintains large risk retentions, with regard to the following types of coverage:

- Medical Health Insurance
- General Liability
- Workers' Compensation (including Policemen and Firemen Hypertension)
- Employee Fiduciary Bonds (except for the Tax Collector, Treasurer and selected Treasury/Finance personnel)

The City has opted to manage certain of its risks internally and set aside assets for claim settlement in its Internal Service Funds. The Internal Service Funds are used to account for the City's medical, workers' compensation and general accident, casualty and liability risks. During 1994, the City adopted Statement No. 10, as amended by Statement No. 17, of GASB.

The City's medical self-insurance program is administered by Blue Cross/Blue Shield. Under the medical plan, the City self-insures individual coverage up to a maximum of \$200 for major medical, and for hospitalization for the contract year July 1, 2016 to June 30, 2021. The City has obtained coverage that insures claims in excess of these amounts. When a claim is submitted, the administrator processes and pays the claims from funds accumulated by the City in an internal service fund. The internal service fund is funded annually by the City's General Fund and the Board of Education based upon information provided by the administrator using an actuarial method to determine such information. The charges by the internal service fund to the City's General Fund are to be adjusted over future contract years so that internal service fund revenues and expenses are approximately equal over such period of time. The City's medical claim liability of approximately \$780 is reported in the internal service fund at June 30, 2021 and is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The City's self-insurance program for general accident, casualty and liability is administered internally. When a claim is submitted, the City processes and pays the claim from funds now accumulated by the City in an internal service fund. The General Liability Internal Service Fund was funded in 1994 to the extent that the City's financial resources would be required during the next 12 months. The charges by the General Liability Internal Service Fund to other funds will be adjusted over future years so that internal service revenues and expenses are approximately equal over such period of time. The City

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

currently carries excess general liability insurance coverage, which reflects a self-insured retention of \$500. The City retains the first \$500 per occurrence; coverage is provided by the insurer for the next \$3,000 per occurrence/\$4,000 aggregate. The insurance coverage includes a stop loss feature, providing coverage after the City has paid \$1,300 cumulative accident year claims. Separate policies for special risks are carried by the City to complement the self-insured program; these include:

- Owners, landlords and tenants liability coverage for the Fafnir property and for foreclosed properties
- Liability coverage for the Terrific Toys program

The City's self-insurance program for workers' compensation is administered internally. When a claim is submitted, the City processes and pays the claim from funds now accumulated by the City in an internal service fund. The Workers' Compensation Internal Service Fund was funded in 1994 to the extent that the City's financial resources would be required during the next twelve months. The charges by the Workers' Compensation Internal Service Fund to other funds will be adjusted over future years so that internal service revenues and expenses are approximately equal over such period of time. The City's aggregate workers' compensation claim liability of approximately \$11.0 million has been recorded in the workers' compensation internal service fund. The City currently carries excess workers' compensation insurance coverage. The City retains the first \$1,000 per accident; limits are statutory.

Settled claims have not exceeded the commercial coverages in any of the previous three years and there has not been a significant reduction in coverage in the year July 1, 2018 and June 30, 2021.

The changes in the claim reserves for the fiscal years ended June 30, 2021 and 2020 are as follows:

	June 30, 2021			June 30, 2020		
	Medical	Workers' Compensation	General Accident Casualty and Liability	Medical	Workers' Compensation	General Accident Casualty and Liability
Beginning of year claim reserve	\$ 602	\$ 11,465	\$ 2,999	\$ 780	\$ 11,098	\$ 2,970
Current year incurred claims and changes in prior year estimate	11,928	3,557	59	13,487	3,269	187
Claim payments	(11,919)	(2,694)	(76)	(13,665)	(2,902)	(158)
End of Year Claim Reserve	\$ 611	\$ 12,328	\$ 2,982	\$ 602	\$ 11,465	\$ 2,999

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Pension Trust Funds

The City is the administrator of a single-employer public employee retirement system (PERS). The City maintains two plans that establish and administer pension benefits for both its Police and Fire Department employees, respectively. Benefits and contributions under this retirement system are established by the City and may be amended only by the City Council. The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as pension trust funds. A separate stand-alone financial report for the PERS is not issued by the City.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Management of the plans rests with the PERS Board, which consists of five members: the Finance Director, Mayor, Majority and Minority Leaders and the President of the Board of Finance and Taxation.

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

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

Plan Description and Benefits Provided

Under the plans, all City police employees hired on or before July 1, 2000 are eligible; those hired after this date shall be enrolled in the Connecticut Municipal Employees' Retirement Fund B. All Fire Department employees hired on or before July 1, 1995 are eligible; those hired after July 1, 1995 shall be enrolled in the Connecticut Municipal Employees' Retirement Fund B. Consequently, these are "closed plans." Police Department and Fire Department employees are 100% vested after ten years of service. If an employee leaves covered employment or dies before he or she is vested, accumulated employee contributions are refunded without interest. The retirement benefit is calculated at 50% (2-1/2% per year for the first 20 years) of the compensation being paid to an active member of the same grade as that at which the member retired, except that firemen may contribute at the level of a lieutenant's pay and retire at that grade and patrolmen may contribute at the level of a sergeant's pay and retire at that grade. An additional 1/2% of pay is added for each of the next five years of allowable service plus 1% for each year of allowable service over 25 years to a maximum of 80%.

As of the most recent actuarial valuation, PERS membership consisted of:

	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits	221	163
Terminated employees entitled to benefits but not yet receiving them		
Active plan members	<u>15</u>	<u>28</u>
Total	<u>236</u>	<u>191</u>

Funding Policy and Progress

The employees hired prior to July 1, 1990 shall receive full escalation of pension benefits and contribute 7% of their salaries. Employees hired on or after July 1, 1990 receive no escalation of pension benefits and contribute 5-1/2% of their salaries. The City is required to contribute the remaining amounts necessary to finance the coverage for its employees. For the fiscal year ended June 30, 2021, these required contributions were \$1,700 for the fire and police plans each. Benefits and contributions are established by the City and may be amended only by the City Council and Union negotiation.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy for both plans as of June 30, 2021:

Asset Class	Target Allocation
Core Fixed Income	35.00%
Short-Term Bonds	1.50%
Large Cap U.S. Equities	30.00%
Small Cap U.S. Equities	10.00%
Developed Foreign Equities	20.00%
Commodities	3.50%
Total	<u>100.00%</u>

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for both Fire and Police, was 30.68% and 32.13%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2021 were as follows:

	Fire	Police
Total pension liability	\$ 115,519	\$ 103,076
Plan fiduciary net position	<u>90,907</u>	<u>70,228</u>
Total Net Pension Liability	<u>\$ 24,612</u>	<u>\$ 32,848</u>
Plan fiduciary net position as a percentage of the total pension liability	78.69%	68.13%

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Fire</u>
Inflation	2.75%	2.75%
Salary increases	3.00%	3.00%
Investment rate of return	6.75%	6.75%

Mortality rates were based on the PubS-2010 Healthy Annuitant Mortality Table with generational projection per the MP ultimate scale.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012-June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Core Fixed Income	1.36%
Short-Term Bonds	0.61%
Large Cap U.S. Equities	4.55%
Small Cap U.S. Equities	6.17%
Developed Foreign Equities	6.35%
Commodities	2.91%

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for both fire and police plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Changes in Pension Liability

Fire Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2020	\$ 102,313	\$ 74,629	\$ 27,684
Changes for the year:			
Service cost	412		412
Interest on total pension liability	7,181		7,181
Differences between expected and actual experience	(3,700)		(3,700)
Changes of assumptions	16,768		16,768
Employer contributions		1,700	(1,700)
Member contributions		147	(147)
Net investment income (loss)		21,916	(21,916)
Benefit payments, including refund to employee contributions	(7,455)	(7,455)	
Administrative expenses		(30)	30
Net changes	13,206	16,278	(3,072)
Balances as of June 30, 2021	\$ 115,519	\$ 90,907	\$ 24,612

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2020	\$ 88,137	\$ 58,970	\$ 29,167
Changes for the year:			
Service cost	221		221
Interest on total pension liability	6,111		6,111
Differences between expected and actual experience	3,368		3,368
Changes in assumptions	13,502		13,502
Employer contributions		1,700	(1,700)
Member contributions		57	(57)
Net investment income (loss)		17,794	(17,794)
Benefit payments, including refund to employee contributions	(8,263)	(8,263)	
Administrative expenses		(30)	30
Net changes	14,939	11,258	3,681
Balances as of June 30, 2021	\$ 103,076	\$ 70,228	\$ 32,848

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75% for fire and police plans, respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Fire Plan

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (4.75%)
Fire Net Pension Liability	\$ 37,147	\$ 24,612	\$ 14,048

Police Plan

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (4.75%)
Police Net Pension Liability	\$ 43,655	\$ 32,848	\$ 23,759

Schedules of Plan Net Position

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Interfund Elimination	Total
Assets					
Cash and cash equivalents	\$	\$	\$ 1,353	\$	\$ 1,353
Investments	94,388	75,444	8,670		178,502
Total Assets	<u>\$ 94,388</u>	<u>\$ 75,444</u>	<u>\$ 10,023</u>	<u>\$</u>	<u>\$ 179,855</u>
Liabilities and Net Position					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ -
Due to other funds	3,481	5,216			8,697
Total liabilities	<u>3,481</u>	<u>5,216</u>	<u>-</u>	<u>-</u>	<u>8,697</u>
Net Position Restricted for Pension Benefits	<u>90,907</u>	<u>70,228</u>	<u>10,023</u>		<u>171,158</u>
Total Liabilities and Net Position	<u>\$ 94,388</u>	<u>\$ 75,444</u>	<u>\$ 10,023</u>	<u>\$ -</u>	<u>\$ 179,855</u>

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 1,700	\$ 1,700	\$ 7,538	\$ 10,938
Employee	147	57		204
Total contributions	<u>1,847</u>	<u>1,757</u>	<u>7,538</u>	<u>11,142</u>
Investment income:				
Net appreciation fair value of investments	20,856	17,059	1,823	39,738
Interest and dividends	1,165	784		1,949
Miscellaneous	(105)	(49)	(2)	(156)
Total investment income	<u>21,916</u>	<u>17,794</u>	<u>1,821</u>	<u>41,531</u>
Total additions	<u>23,763</u>	<u>19,551</u>	<u>9,359</u>	<u>52,673</u>
Deductions:				
Benefits	7,455	8,263	7,374	23,092
Administration	30	30	2	62
Total deductions	<u>7,485</u>	<u>8,293</u>	<u>7,376</u>	<u>23,154</u>
Net Increase (Decrease)	16,278	11,258	1,983	29,519
Net Position at Beginning of Year	<u>74,629</u>	<u>58,970</u>	<u>8,040</u>	<u>141,639</u>
Net Position at End of Year	<u>\$ 90,907</u>	<u>\$ 70,228</u>	<u>\$ 10,023</u>	<u>\$ 171,158</u>

B. Municipal Employees' Retirement System

Plan Description

All full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Normal Retirement

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement - Service Connected

This applies to employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement - Non-Service Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

Contributions

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reports a liability of \$139,003 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2020. The actuarial assumptions used in the June 30, 2020 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the City's proportion was 12.49%. The increase in proportion from the prior year was 0.55%.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary increase	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	<u>1.0%</u>	0.9%
Total	<u><u>100.0%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 198,093	\$ 139,003	\$ 89,496

Payable to MERS

In addition, the City has also recorded \$7 as a long-term payable to MERS at June 30, 2021. This amount represents prior service costs calculated when the City entered the plan.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense for the following plans:

	Pension Expense
Police Pension Plan	\$ 16,293
Fire Pension Plan	12,228
MERS	<u>33,251</u>
 Total	 <u>\$ 61,772</u>

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Police Plan	Fire Plan	MERS	Total	MERS
	Deferred (Inflows) of Resources	Deferred (Inflows) of Resources	Deferred (Inflows) of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	\$	\$ (6,195)	\$ (6,195)	\$ 6,836
City contributions after the measurement date				-	12,935
Change in assumptions				-	21,726
City's employer change in proportional share			(2,092)	(2,092)	3,315
Net difference between projected and actual earning on pension plan investments	<u>(9,120)</u>	<u>(11,102)</u>		<u>(20,222)</u>	<u>14,809</u>
 Total Deferred Outflows of Resources	 <u>\$ (9,120)</u>	 <u>\$ (11,102)</u>	 <u>\$ (8,287)</u>	 <u>\$ (28,509)</u>	 <u>\$ 59,621</u>

Amounts reported as deferred outflows of resources related to City contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Police Pension Plan</u>	<u>Fire Pension Plan</u>	<u>MERS</u>	<u>Total</u>
2022	\$ (2,106)	\$ (2,530)	\$ 14,585	\$ 9,949
2023	(1,958)	(2,417)	17,039	12,664
2024	(2,305)	(2,813)	4,178	(940)
2025	(2,751)	(3,342)	2,597	(3,496)

D. Connecticut Teachers Retirement System - Pension

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$20,782 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>323,997</u>
Total	\$	<u><u>323,997</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2021, the City recognized pension expense and revenue of \$46,411 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

Asset Class	Expected Return		Target Allocation		Standard Deviation	
Public Equity - US Equity	8.10	%	20.00	%	17.00	%
Public Equity - International Developed Equity	8.50		11.00		19.00	
Public Equity - Emerging Markets Equity	10.40		9.00		24.00	
Fixed Income - Core Fixed Income	4.60		16.00		7.00	
Fixed Income - Inflation Linked Bonds	3.60		5.00		7.00	
Fixed Income - High Yield	6.50		6.00		11.00	
Fixed Income - Emerging Market Debt	5.20		5.00		11.00	
Private Equity	9.80		10.00		23.00	
Real Estate	7.00		10.00		15.00	
Alternative Investments - Real Assets	8.20		4.00		17.00	
Alternative Investments - Hedge Funds	5.40		3.00		7.00	
Liquidity Fund	2.90		1.00		1.00	
Total			<u>100.00</u>	%		

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The City's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

E. Single-Employer Defined Benefit Pension Plan

In addition to the above plans, the City is currently paying benefits to three groups of retirees by means of annual appropriations. This program covers those individuals whose pension payments commenced prior to November 1972 and retired elected officials with over 20 years of service (EOPLAN). Since no active employees are included, their benefits are not advance funded but paid as they come due from General Fund appropriations, i.e., on a “pay-as-you-go” basis. The unfunded liability for this plan is decreasing rapidly since the average age is 82 years.

As of the most recent actuarial valuation, EOPLAN membership consisted of 9 retirees with no active employees covered by this plan. Management of the plan rests with the Finance Director and Mayor.

Summary of Significant Accounting Policies

The annual required contribution (ARC) and the annual pension cost represent the actual benefits paid out during the year. For the fiscal year ended June 30, 2021, these required contributions totaled \$245. Benefits and contributions are established by the City and may be amended only by the City Council and Union negotiation.

Funding Policy and Progress

Funds are budgeted in the General Fund to cover pension benefits paid each year. Annual contributions are equal to the annual benefit payments. Benefits and contributions were established by City Charter.

Changes in Total Pension Liability

The total pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability as of June 30, 2021 was \$1,388. The changes in the liability during the fiscal year are as follows:

Elected Officials and Pre-72 Police and Fire Employees Plan	
	Increase (Decrease)
	Total Pension
	Liability
Balances as of June 30, 2020	\$ 1,462
Changes for the year:	
Interest	29
Differences between expected and actual experience	(67)
Effect of assumptions changes and inputs	209
Benefit payments, including refund to employee contributions	(245)
Balances as of June 30, 2021	\$ 1,388

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Discount Rate

The discount rate used to measure the total pension liability was 2.16%. The discount rate was determined based on the present value of those future benefits payments assuming no requirement to prefund the plan's benefits.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the City's EOPLAN, calculated using the discount rate of 2.16% as well as what the City's pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
EOPLAN Pension Liability	\$ 1,457	\$ 1,388	\$ 1,325

For the year ended June 30, 2021, the City recognized pension expense of \$171. There were no deferred inflows or deferred inflows related to this plan.

F. Post Employment Benefits

Summary of Significant Accounting Policies

Plan Description

The City is the administrator of a single employer defined benefit OPEB plan. The City, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers City, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The City does not issue separate stand-alone financial statements for the plan.

Basis of Accounting

The financial statements of the City's Other Post Employment Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the City.

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Management of the City's Other Post Employment Benefit Plan is vested with the collective members of the Common Council. At July 1, 2020, plan membership consisted of the following:

Active employees	1,572
Retirees	714
Beneficiaries and Spouses	<u>127</u>
Total	<u><u>2,413</u></u>

Funding Policy

The City currently provides for post employment health care benefits for future health and life insurance benefit expenses. As of June 30, 2013, the City has established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City Employees

Generally, retirees and their dependents are covered for a period of seven years from the date of retirement. In most cases retirees can continue coverage beyond the seven-year period at their own expense. Cost sharing is based on years of service at retirement as follows:

<u>Years of Service</u>	<u>City Pays</u>
20+	100%
15-19	80%
10-14	60%
5-9	40%

In some cases, retirees have access to post retirement health coverage through the City, but at their own expense. In those instances, upon the retiree's death, spousal coverage is available, but at their own expense.

Board of Education

Teachers - Pre-65 is 100% retiree paid.

Administrator (Local 51) - Effective July 1, 2008 for pre-65 only, the Board will contribute up to 50% of the cost up to a maximum of \$7,500 (not rounded) per year for three additional years beyond the two-year cost-share benefit previously provided. Retirees can continue coverage beyond the two-year period at their own expense. Spouses and dependents are covered and surviving spouses and dependents may continue coverage in accordance with COBRA.

NBSSA/AFSA - After eight years of continuous service, two of which in Local 818, retirees shall be offered coverage for the first two years from retirement at the same cost share in effect for active employees (2011-12, 14% Retiree/85% Board). The Board will also pay 50% of the cost up to a maximum \$7,500 (not rounded) per year for the cost of the retiree's benefits for three additional years (pre-65 only).

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

AFSCME (Local 1186) - Coverage is offered for the first five years from retirement. Cost sharing is the same as for active employees (2006/07, 12% retiree and 88% Board, prior to January 1, 1997, 13% retiree and 95% Board). Beyond the fifth year, retirees are offered COBRA.

Police

If the date of hire is prior to July 1, 1993, retirees and their dependents are covered for a period of seven years from the date of retirement. Cost sharing is based on years of service at retirement as follows:

<u>Years of Service</u>	<u>City Pays</u>
20+	100%
15-19	80%
10-14	60%
5-9	40%

Retirees can continue coverage beyond the seven-year period at their own expense. If the date of hire is after July 1, 1993, the retiree has access to post retirement health coverage through the City at their own expense.

Fire

If the date of hire and retirement is prior to June 23, 2004, the retiree and their dependents are covered for a period of ten years from the date of retirement. Cost sharing is based on years of service at retirement as follows:

<u>Years of Service</u>	<u>City Pays</u>
20+	100%
15-19	80%
5-14	60%

Employees who retire after June 23, 2004 and their dependents are covered for a period of ten years from the date of retirement. Cost sharing is based on years of service at retirement and is the same as above. Retirees can continue coverage beyond the seven- or ten-year period at their own expense. If the date of hire is after June 23, 2004, retirees have access to post retirement health coverage through the City at their own expense.

Investments

Investment Policy

OPEB Benefit Plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB Board by a majority vote of its members. It is the policy of the OPEB Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 22.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The City's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB liability of the City at June 30, 2021 were as follows:

Total OPEB Liability	\$	57,356
Plan fiduciary net position		<u>10,023</u>
Net OPEB Liability	\$	<u><u>47,333</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	17.48%
--	--------

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%, average, including inflation
Discount rate	6.50%
Healthcare cost trend rates	Medical: 6.70% to 4.00% over 60 years Dental: 3.00%
Retirees' share of benefit-related costs	50% of projected health insurance premiums for retirees

Mortality rates were based on the Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvement per the MP-2019 Ultimate scale. PubT-2010 was used for BOE Certified employees. PubG-2010 was used for Fire and Police employees.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - April 30, 2017.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	45.00%	1.36%
U.S. Large Caps	40.00%	4.55%
U.S. Small Caps	5.00%	6.17%
Foreign Developed Equity	10.00%	6.35%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

Changes in the Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB liability of the City at June 30, 2021 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2020	\$ 77,494	\$ 8,040	\$ 69,454
Changes for the year:			
Service cost	1,905		1,905
Interest on total OPEB liability	4,925		4,925
Effect of plan changes	79		79
Effect of economic/demographic gains or losses	(13,774)		(13,774)
Effect of assumptions, changes or inputs	(5,899)		(5,899)
Employer contributions		7,538	(7,538)
Net investment income (loss)		1,821	(1,821)
Benefit payments	(7,374)	(7,374)	
Administrative expenses		(2)	2
Net changes	(20,138)	1,983	(22,121)
Balances as of June 30, 2021	\$ 57,356	\$ 10,023	\$ 47,333

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability	\$ 52,082	\$ 47,333	\$ 42,446

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.20% Decreasing to 2.0%)	Healthcare Cost Trend Rates (5.20% Decreasing to 3.0%)	1% Increase (6.20% Decreasing to 4.00%)
Net OPEB Liability	\$ 41,417	\$ 47,333	\$ 54,360

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$6,415. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,721	\$ (12,134)
Changes in assumptions		(5,197)
Net difference between projected and actual earnings		(826)
Total	\$ <u>12,721</u>	\$ <u>(18,157)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30

2021	\$ 32
2022	16
2023	(9)
2024	(56)
2025	202
Thereafter	(5,621)
	\$ <u>(5,436)</u>

G. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 (not rounded) per month for a retired member plus an additional \$110 (not rounded) per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 (not rounded) per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$220 (not rounded) per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$501 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one-third of the plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		<u>48,324</u>
Total	\$	<u><u>48,324</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the City recognized OPEB expenses (revenues) of \$2,232 in Exhibit II.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare costs trend rate	5.125% for 2020, decreasing to an ultimate rate of 4.50 by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>BOE State and Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	245	\$ 245
Trust purposes				3,898	3,898
Restricted for:					
Grants			3,648	17,808	21,456
Capital improvements		5,090			5,090
Committed to:					
General government activities				258	258
Capital improvements		19,316			19,316
Public safety programs				133	133
Sewer maintenance				3,842	3,842
Social service programs				53	53
Recreational programs				370	370
Educational programs				658	658
Assigned to:					
Subsequent budget	2,550				2,550
Board of Education	2,000				2,000
Unassigned	19,582	(29,082)		(2,993)	(12,493)
Total Fund Balances	\$ 24,132	\$ (4,676)	\$ 3,648	\$ 24,272	\$ 47,376

11. TAX ABATEMENTS

In accordance with Section 22-9 of the Ordinances of the City of New Britain, the City provides abatements on assessment on property for owners of low and moderate income housing. The abatement of taxes will be applied to the property for the following purpose: to reduce rents below the levels which would be achieved in the absence of the abatement, to improve housing quality and design, to effect occupancy by persons and families of verifying income levels, within prescribed limits or provide necessary related facilities or services. Abatement shall terminate at any time when the property for which tax abatement has been granted is not used solely for low and moderate income housing and shall not exceed thirty-nine years. On June 30, 2021, the City has four agreements with vendors under this program. The amount of revenue reduced during the fiscal year for this abatement was \$538.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(amounts expressed in thousands)

12. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The City derives a significant portion of its revenues from property taxes. While the City has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the City's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

14. DEFERRED COMPENSATION PLAN

Effective October 1, 2011, the City adopted a Deferred Compensation Plan under Section 457(b) of the Internal Revenue Code of 1986 for full time and part-time employees of the City. An employee may make annual contributions from eligible compensation as permitted under the Code. Employer contributions are based on various bargaining agreements. Contributions for the plan for employees and employers are \$319 and \$379, respectively.

15. CONTINGENT LIABILITIES

The City is a defendant in a number of lawsuits. It is the opinion of management that such pending litigation will not be finally determined so as to result in a judgment or judgments against the City that would materially affect its financial position.

16. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The City previously reported the activities of the Contractors' Bond Fund, Student Activity Fund, and Downtown District Fund as fiduciary funds (Agency funds). As a result of the implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the City made the following reporting changes:

The activities of the Contractors' Bond Fund are now reporting with the general fund activities, the School Activity Fund is reported as a special revenue fund, and the Downtown District is reported as a custodial Fund. Accordingly, the City restated the beginning assets and liabilities of the General Fund by \$300. The remaining assets of \$394 previously reported in the agency funds were recognized as a \$377 addition to assets and fund balance in the newly created special revenue fund and a \$17 addition to assets and net position of the newly created custodial fund.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(amounts expressed in thousands)

The restatement of beginning balances of assets, liabilities, fund balance and net position are as follows:

	Governmental Activities Net Position	Nonmajor Governmental Funds Fund Balance	Custodial Fund Net Position
Balance at June 30, 2020, as previously reported	\$ 8,581	\$ 18,075	\$ -
Adjustments:			
Student Activity Fund reported as a special revenue fund	377	377	
Downtown District reported as a custodial fund			17
Balance at July 1, 2020, as restated	<u>\$ 8,958</u>	<u>\$ 18,452</u>	<u>\$ 17</u>

Agency Funds

Fiduciary Funds:

Balance as previously reported June 30, 2020	\$ 694
Adjustment:	
Schools Activity Fund reported as a special revenue fund	(377)
Contractor's Bond Fund reported with the General Fund	(300)
Downtown District reported as a custodial fund	(17)
Balance at July 1, 2020, as restated	<u>\$ -</u>

17. SUBSEQUENT EVENTS

On September 8, 2021 the City issued a private placement \$30,000 General Obligation Bond Anticipation Note for the purpose of financing capital improvements to the Chamberlain Elementary School and paying costs association with issuance of the notes.

Required Supplementary Information

This page is intentionally left blank.

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current Taxes	\$ 128,518	\$ 129,970	\$ 130,080	\$ 110
Prior Year Levy	3,400	4,017	4,017	-
Interest and liens	1,325	2,286	2,286	-
Supplemental Motor Vehicle	1,450	1,434	1,434	-
Total property taxes	134,693	137,707	137,817	110
Intergovernmental revenues (State):				
Special Education				-
Education Equalization	72,351	72,716	72,716	-
BOE Misc	35	49	49	-
State Infraction Distribution	20	9	9	-
Town Aid Road Fund			767	767
Veterans Exemption Reimbursement	21	19	19	-
Disability Exemption	7	7	7	-
State Property Tax Relief	2,997	2,997	2,997	-
Telephone Access Line Tax Relief	96	107	107	-
Civil Defense	36			-
Off Track Betting	126	90	90	-
State Pilot Private Tax Exempt	2,067	2,067	2,067	-
State Pilot Model Housing				-
Distressed Municipality	58	265	265	-
Disability Exemption				-
Municipal Transition	1,759	1,759	1,759	-
Interest Subsidy	403	389	389	-
Municipal Stabilization	2,176	2,176	2,176	-
Municipal Projects	2,148	2,148	2,148	-
Legalized Gaming Distribution	1,981	1,981	1,981	-
COVID Grants			2,032	2,032
Dial a Ride			98	98
Total intergovernmental revenues	86,281	86,779	89,676	2,897
Licenses and permits:				
Building Structures and Equipment	731	690	930	240
All other license	415	476	476	-
Protection	111	123	137	14
Health	94	123	125	2
Disposal	438	547	472	(75)
Planning and Zoning	7	7	7	-
Total licenses and permits	1,796	1,966	2,147	181

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Charges for services:				
Town Clerk	\$ 1,310	\$ 1,783	\$ 1,793	\$ 10
Recreation	425	286	437	151
Public Safety	2,122	3,199	3,526	327
Parking tickets	1,421	664	679	15
Property Management	32	24	24	-
Health and Welfare	27	20	20	-
Public Works	140	93	93	-
Parking tickets	445	294	294	-
Senior Center	10	3	10	7
Water Overhead	1,618	1,618	1,618	-
Legal	55	54	54	-
Other	95	25	25	-
Total charges for services	<u>7,700</u>	<u>8,063</u>	<u>8,573</u>	<u>510</u>
Total licenses, permits and charges for services	<u>9,496</u>	<u>10,029</u>	<u>10,720</u>	<u>691</u>
Other revenue:				
Investment income	500	40	52	12
Grants and Contributions	816	865		(865)
Miscellaneous	85	1,111		(1,111)
Sale of real estate property		61	61	-
Fund Balance	2,000			-
Total other revenue	<u>3,401</u>	<u>2,077</u>	<u>113</u>	<u>(1,964)</u>
Total revenues	233,871	236,592	238,326	1,734
Other Financing Sources:				
Transfers in	<u>977</u>	<u>1,108</u>	<u>1,108</u>	<u>-</u>
Total Budgeted Revenues and Transfers	<u>\$ 234,848</u>	<u>\$ 237,700</u>	239,434	<u>\$ 1,734</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut pension expense to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			20,782	
State of Connecticut OPEB expense (revenue) to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			501	
Amounts netted for budgetary purposes - grant closeouts				
Net effect of revenues for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			455	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 261,172</u>	

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Legislative	\$ 171	\$ 166	\$ 166	\$ -
Boards and Commissions	4			-
Judicial	118	115	115	-
Elections	470	447	447	-
Mayor's Office	627	629	629	-
Planning and Zoning	279	313	313	-
Finance	3,720	3,917	3,917	-
Recording and Reporting	579	535	535	-
Legal	861	600	600	-
Central Services	31	11	11	-
Total	<u>6,860</u>	<u>6,733</u>	<u>6,733</u>	<u>-</u>
Public Safety:				
Police	18,505	18,566	18,378	188
Fire	14,672	14,830	14,827	3
Lighting	940	859	859	-
Building	726	705	705	-
Civil Preparedness	8	5	5	-
Central Emergency Dispatch	2,442	2,518	2,518	-
Total	<u>37,293</u>	<u>37,483</u>	<u>37,292</u>	<u>191</u>
Public Works:				
Administration	264	278	278	-
Street Services	4,725	4,466	4,466	-
Public Buildings	2,856	2,958	2,958	-
Capital Project	821	761	761	-
Signals and Control	290	334	334	-
Waste Disposal	4,250	4,431	4,431	-
Total	<u>13,206</u>	<u>13,228</u>	<u>13,228</u>	<u>-</u>
Parks and Recreation:				
Administration	4	1	1	-
Forestry	175	180	180	-
Horticulture	308	279	279	-
Maintenance	2,142	1,830	1,830	-
Special Projects	3	3	3	-
Recreation Department	1,578	1,382	1,382	-
Willow Brook Sports Complex	115	52	54	(2)
City Supported Agencies	3,387	3,351	3,387	(36)
Cultural Organizations	90	84	84	-
Total	<u>7,802</u>	<u>7,162</u>	<u>7,200</u>	<u>(38)</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and Social Services:				
Rights and Opportunities Commission	\$ 81	\$ 85	\$ 85	\$ -
Civil Service Commission	309	282	282	-
Nursing	357	357	357	-
Environmental Control	487	488	488	-
Administration	105	102	167	(65)
Social Services	9	7	7	-
Senior Center	517	432	432	-
Handicap Services	90	78	78	-
Total	<u>1,955</u>	<u>1,831</u>	<u>1,896</u>	<u>(65)</u>
General Administration:				
Pension and Benefit Contributions	11,997	26,819	26,819	-
Contingency	<u>1,398</u>			-
Total	<u>13,395</u>	<u>26,819</u>	<u>26,819</u>	<u>-</u>
Education	<u>126,394</u>	<u>126,314</u>	<u>126,314</u>	<u>-</u>
Debt Service	<u>27,218</u>	<u>16,352</u>	<u>16,352</u>	<u>-</u>
Total Expenditures	234,123	235,922	235,834	88
Other Financing Uses:				
Transfers Out	<u>725</u>	<u>1,778</u>	<u>1,744</u>	<u>34</u>
Total	<u>\$ 234,848</u>	<u>\$ 237,700</u>	237,578	<u>\$ 122</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut pension expense to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted	20,782
State of Connecticut OPEB expense (revenue) to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted	501
Amounts netted for budgetary purposes - grant closeouts	
Net effect of expenditures for Dog Fund, Board of Education in Residence and YSB Funds not budgeted	<u>456</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 259,317

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
POLICE
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 221	\$ 419	\$ 422	\$ 561	\$ 520	\$ 684	\$ 636	\$ 868
Interest	6,111	6,266	6,203	6,359	6,258	6,293	6,295	5,996
Differences between expected and actual experience	3,368		1,310		1,928		4,846	
Changes of assumptions	13,502	950	(1,605)	2,600				
Benefit payments, including refunds of member contributions	(8,263)	(7,945)	(7,806)	(7,518)	(7,281)	(7,184)	(6,945)	(8,010)
Net change in total pension liability	14,939	(310)	(1,476)	2,002	1,425	(207)	4,832	(1,146)
Total pension liability - beginning	88,137	88,447	89,923	87,921	86,496	86,703	81,871	83,017
Total pension liability - ending	103,076	88,137	88,447	89,923	87,921	86,496	86,703	81,871
Plan fiduciary net position:								
Contributions - employer	1,700	1,572	3,627	1,419	994	1,350	1,059	1,058
Contributions - member	57	92	121	151	170	180	208	255
Net investment income (loss)	17,794	2,190	2,930	5,379	8,179	(1,213)	1,803	10,805
Benefit payments, including refunds of member contributions	(8,263)	(7,945)	(7,806)	(7,518)	(7,281)	(7,184)	(6,945)	(6,666)
Administrative expense	(30)	(30)	(42)	(24)	(101)	(112)	(34)	(149)
Net change in plan fiduciary net position	11,258	(4,121)	(1,170)	(593)	1,961	(6,979)	(3,909)	5,303
Plan fiduciary net position - beginning	58,970	63,091	64,261	64,854	62,893	69,872	73,781	68,478
Plan fiduciary net position - ending	70,228	58,970	63,091	64,261	64,854	62,893	69,872	73,781
Net Pension Liability - Ending	\$ <u>32,848</u>	\$ <u>29,167</u>	\$ <u>25,356</u>	\$ <u>25,662</u>	\$ <u>23,067</u>	\$ <u>23,603</u>	\$ <u>16,831</u>	\$ <u>8,090</u>
Plan fiduciary net position as a percentage of the total pension liability	68.13%	66.91%	71.33%	71.46%	73.76%	72.71%	80.59%	90.12%
Covered payroll	\$ 2,722	\$ N/A	\$ 3,158	\$ 2,894	\$ 3,101	\$ N/A	\$ 3,891	\$ 4,576
Net pension liability as a percentage of covered payroll	1206.76%	N/A	802.91%	886.73%	743.94%	N/A	432.56%	176.79%

Note: This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
FIRE
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 412	\$ 443	\$ 476	\$ 550	\$ 512	\$ 715	\$ 665	\$ 759
Interest	7,181	7,212	7,213	7,361	7,246	7,159	7,086	6,263
Differences between expected and actual experience	(3,700)		(2,174)		442		11,390	
Changes of assumptions	16,768	1,122	(3,990)	5,225				
Benefit payments, including refunds of member contributions	<u>(7,455)</u>	<u>(7,474)</u>	<u>(7,508)</u>	<u>(7,356)</u>	<u>(6,057)</u>	<u>(6,965)</u>	<u>(6,685)</u>	<u>(8,001)</u>
Net change in total pension liability	13,206	1,303	(5,983)	5,780	2,143	909	12,456	(979)
Total pension liability - beginning	<u>102,313</u>	<u>101,010</u>	<u>106,993</u>	<u>101,213</u>	<u>99,070</u>	<u>98,161</u>	<u>85,705</u>	<u>86,684</u>
Total pension liability - ending	<u>115,519</u>	<u>102,313</u>	<u>101,010</u>	<u>106,993</u>	<u>101,213</u>	<u>99,070</u>	<u>98,161</u>	<u>85,705</u>
Plan fiduciary net position:								
Contributions - employer	1,700	1,572	3,707	1,459	1,238	888	531	532
Contributions - member	147	155	176	192	208	207	244	289
Net investment income (loss)	21,916	2,862	3,694	6,132	8,247	(84)	1,887	11,809
Benefit payments, including refunds of member contributions	<u>(7,455)</u>	<u>(7,474)</u>	<u>(7,508)</u>	<u>(7,356)</u>	<u>(6,056)</u>	<u>(6,965)</u>	<u>(6,685)</u>	<u>(6,430)</u>
Administrative expense	<u>(30)</u>	<u>(29)</u>	<u>(29)</u>	<u>(24)</u>	<u>(161)</u>	<u>(230)</u>	<u>(34)</u>	<u>(72)</u>
Net change in plan fiduciary net position	16,278	(2,914)	40	403	3,476	(6,184)	(4,057)	6,128
Plan fiduciary net position - beginning	<u>74,629</u>	<u>77,543</u>	<u>77,503</u>	<u>77,100</u>	<u>73,624</u>	<u>79,808</u>	<u>83,865</u>	<u>77,737</u>
Plan fiduciary net position - ending	<u>90,907</u>	<u>74,629</u>	<u>77,543</u>	<u>77,503</u>	<u>77,100</u>	<u>73,624</u>	<u>79,808</u>	<u>83,865</u>
Net Pension Liability - Ending	<u>\$ 24,612</u>	<u>\$ 27,684</u>	<u>\$ 23,467</u>	<u>\$ 29,490</u>	<u>\$ 24,113</u>	<u>\$ 25,446</u>	<u>\$ 18,353</u>	<u>\$ 1,840</u>
Plan fiduciary net position as a percentage of the total pension liability	78.69%	72.94%	76.77%	72.44%	76.18%	74.32%	81.30%	97.85%
Covered payroll	\$ 2,960	\$ N/A	\$ 3,324	\$ 3,083	\$ 3,268	\$ N/A	\$ 4,105	\$ 3,662
Net pension liability as a percentage of covered-employee payroll	831.49%	N/A	705.99%	956.54%	737.85%	N/A	447.09%	50.25%

Note: This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
POLICE
(In Thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 2,378	\$ 2,378	\$ 1,913	\$ 1,913	\$ 1,413	\$ 1,413	\$ 1,594	\$ 1,594	\$ 1,054	\$ 1,054
Contributions in relation to the actuarially determined contribution	<u>1,700</u>	<u>1,572</u>	<u>3,627</u>	<u>1,419</u>	<u>994</u>	<u>1,360</u>	<u>1,059</u>	<u>1,059</u>	<u>1,054</u>	<u>743</u>
Contribution Deficiency (Excess)	<u>\$ 678</u>	<u>\$ 806</u>	<u>\$ (1,714)</u>	<u>\$ 494</u>	<u>\$ 419</u>	<u>\$ 53</u>	<u>\$ 535</u>	<u>\$ 535</u>	<u>\$ -</u>	<u>\$ 311</u>
Covered payroll	\$ 2,722	\$ N/A	\$ 3,158	\$ 3,101	\$ N/A	\$ 3,891	\$ N/A	\$ 4,576	\$ N/A	\$ 5,866
Contributions as a percentage of covered-employee payroll	62.45%	N/A	114.85%	45.76%	N/A	34.95%	N/A	23.14%	N/A	12.67%

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	20 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.00%
Investment rate of return	6.750%
Retirement age	Graded based on age
Mortality	PubS-2010 Mortality Table with generagtional projection per the MP ultimate scale
N/A	Not Available

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
FIRE
(In Thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,231	\$ 2,231	\$ 2,035	\$ 2,035	\$ 1,459	\$ 1,459	\$ 1,138	\$ 1,138	\$ 531	\$ 531
Contributions in relation to the actuarially determined contribution	1,700	1,572	3,707	1,459	1,238	888	531	531	531	450
Contribution Deficiency (Excess)	<u>\$ 531</u>	<u>\$ 659</u>	<u>\$ (1,672)</u>	<u>\$ 576</u>	<u>\$ 221</u>	<u>\$ 571</u>	<u>\$ 607</u>	<u>\$ 607</u>	<u>\$ -</u>	<u>\$ 81</u>
Covered payroll	\$ 2,960	\$ N/A	\$ 3,324	\$ 3,268	\$ N/A	\$ 4,105	\$ N/A	\$ 3,662	\$ N/A	\$ 4,853
Contributions as a percentage of covered-employee payroll	57.43%	N/A	111.52%	44.65%	N/A	21.63%	N/A	14.50%	N/A	9.27%

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	20 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.00%
Investment rate of return	6.750%
Retirement age	Graded based on age
Mortality	PubS-2010 Mortality Table with generational projection per the MP ultimate scale
N/A	Not Available

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS - PENSION
LAST EIGHT FISCAL YEARS
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:								
Police	32.13%	3.68%	4.82%	10.00%	13.71%	-1.80%	2.71%	16.16%
Fire	30.68%	3.86%	4.98%	8.05%	11.63%	-0.11%	2.55%	15.81%

Note: This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$	\$	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>323,997</u>	<u>304,596</u>	<u>234,861</u>	<u>240,213</u>	<u>253,427</u>	<u>191,636</u>	<u>177,129</u>
Total	<u>\$ 323,997</u>	<u>\$ 304,596</u>	<u>\$ 234,861</u>	<u>\$ 240,213</u>	<u>\$ 253,427</u>	<u>\$ 191,636</u>	<u>\$ 177,129</u>
City's covered payroll	\$ 75,931	\$ 72,728	\$ 71,227	\$ 79,976	\$ 71,517	\$ 70,143	\$ 68,704
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	61.51%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	The Board adopted new assumptions
	- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
	- Decrease payroll growth assumption from 3.25% to 3.00%.
	- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS*
(In Thousands)**

	2021	2020	2019	2018	2017	2016	2015 as Restated
City's proportion of the net pension liability	12.49%	11.94%	11.56%	10.04%	10.04%	10.24%	8.70%
City's proportionate share of the net pension liability	\$ 139,003	\$ 123,270	\$ 110,555	\$ 23,414	\$ 33,406	\$ 19,741	\$ 8,578
City's covered payroll	\$ 64,963	\$ 64,920	\$ 64,163	\$ 60,393	\$ 58,700	\$ 56,306	\$ 40,296
City's proportionate share of the net pension liability as a percentage of its covered payroll	213.97%	189.88%	172.30%	38.77%	56.91%	35.06%	21.29%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

***Notes:**

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available
- The measurement date is one year earlier than the employer's reporting date.

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
(in Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 12,935	\$ 10,872	\$ 8,622	\$ 8,345	\$ 7,266	\$ 6,949	\$ 5,989	\$ 5,113	\$ 4,886	\$ 4,916
Contributions in relation to the actuarially determined contribution	12,935	10,872	8,622	8,345	7,266	6,949	5,989	5,113	4,886	4,916
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>
Covered payroll	\$ 69,019	\$ 64,963	\$ 64,920	\$ 64,163	\$ 60,393	\$ 58,700	\$ 56,306	\$ 50,977	\$ 40,296	\$ 48,559
Contributions as a percentage of covered payroll	18.74%	16.74%	13.28%	13.01%	12.03%	11.84%	10.64%	10.03%	12.13%	10.12%

Notes to Schedule

Valuation date: June 30, 2020

Measurement date: June 30, 2020

The actuarially determined contributions are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Single equivalent amortization period	21 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Salary increases	3.50% - 10.00%, including inflation
Investment rate of return	7%, net of investment related expense
Changes in assumptions:	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS
OPEB
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 1,905	\$ 1,659	\$ 1,603	\$ 1,244	\$ 1,169
Interest	4,925	4,960	3,679	3,640	3,658
Changes of benefit terms	79				
Differences between expected and actual experience	(13,774)		20,353		
Changes of assumptions	(5,899)				
Benefit payments, including refunds of member contributions	(7,374)	(7,420)	(4,598)	(4,681)	(5,643)
Net change in total pension liability	(20,138)	(801)	21,037	203	(816)
Total pension liability - beginning	77,494	78,295	57,258	57,055	57,871
Total pension liability - ending	<u>57,356</u>	<u>77,494</u>	<u>78,295</u>	<u>57,258</u>	<u>57,055</u>
Plan fiduciary net position:					
Contributions - employer	7,538	8,088	5,309	5,349	6,143
Net investment income	1,821	245	299	278	353
Benefit payments, including refunds of member contributions	(7,374)	(7,420)	(4,598)	(4,681)	(5,643)
Administrative expense	(2)	(2)	(6)	(6)	(4)
Net change in plan fiduciary net position	1,983	911	1,004	940	849
Plan fiduciary net position - beginning	8,040	7,129	6,125	5,185	4,336
Plan fiduciary net position - ending	<u>10,023</u>	<u>8,040</u>	<u>7,129</u>	<u>6,125</u>	<u>5,185</u>
Net Pension Liability - Ending	<u>\$ 47,333</u>	<u>\$ 69,454</u>	<u>\$ 71,166</u>	<u>\$ 51,133</u>	<u>\$ 51,870</u>
Plan fiduciary net position as a percentage of the total pension liability	17.48%	10.37%	9.11%	10.70%	9.09%
Covered payroll	\$ 124,327	\$ N/A	\$ 120,589	\$ 129,000	\$ 115,536
Net pension liability as a percentage of covered-employee payroll	38.07%	N/A	59.02%	39.64%	44.90%

Note: This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
OPEB
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 6,986	\$ 6,755	\$ 4,965	\$ 4,784	\$ 6,345	\$ 6,052	\$ 6,671	\$ 6,360	\$ 4,830	\$ 4,594
Contributions in relation to the actuarially determined contribution	<u>7,538</u>	<u>8,088</u>	<u>5,309</u>	<u>5,349</u>	<u>6,143</u>	<u>5,892</u>	<u>6,240</u>	<u>6,291</u>	<u>4,721</u>	<u>4,410</u>
Contribution Deficiency (Excess)	<u>\$ (552)</u>	<u>\$ (1,333)</u>	<u>\$ (344)</u>	<u>\$ (565)</u>	<u>\$ 202</u>	<u>\$ 160</u>	<u>\$ 431</u>	<u>\$ 69</u>	<u>\$ 109</u>	<u>\$ 184</u>
Covered payroll	\$ 124,327	\$ N/A	\$ 120,589	\$ 129,000	\$ 115,536	\$ 104,482	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	6.06%	N/A	4.40%	4.15%	5.32%	5.64%	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	6.50%

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN
LAST FIVE FISCAL YEARS**

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense:	22.66%	3.44%	4.84%	5.36%	8.12%

Note: This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS
ELECTED OFFICIALS AND PRE-1972 POLICE AND FIRE PLAN
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability:					
Service cost	\$	\$	\$ 665	\$	\$
Interest	29	51	57	62	58
Changes of benefit terms					
Differences between expected and actual experience	(67)		155		
Changes of assumptions	209	84	26	(23)	(71)
Benefit payments, including refunds of member contributions	(245)	(257)	(293)	(285)	(279)
Net change in total pension liability	(74)	(122)	(54)	(246)	(292)
Total pension liability - beginning	1,462	1,584	1,638	1,884	2,176
Total Pension Liability - Ending	<u>\$ 1,388</u>	<u>\$ 1,462</u>	<u>\$ 1,584</u>	<u>\$ 1,638</u>	<u>\$ 1,884</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date June 30,2018
Measurement date June 30,2020

Discount Rate 2.21%

information for ten years. Additional
information will be added as it becomes

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
ELECTED OFFICIALS AND PRE-1972 POLICE AND FIRE PLAN
(In Thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 245	\$ 257	\$ 293	\$ 285	\$ 311	\$ 105	\$ 366	\$ 465	\$ 532	\$ 543	\$ 597
Contributions in relation to the actuarially determined contribution	245	257	293	285	311	105	366	465	532	543	597
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: June 30, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	2.70%
Salary increases	3.50%
Investment rate of return	3.50%

CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>48,324</u>	<u>47,503</u>	<u>46,950</u>	<u>61,828</u>
Total	<u>\$ 48,324</u>	<u>\$ 47,503</u>	<u>\$ 46,950</u>	<u>\$ 61,828</u>
Town's covered payroll	\$ 75,931	\$ 72,728	\$ 71,227	\$ 79,976
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience; Long-term health care cost trend The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date

Combining and Individual Fund Statements and Schedules

This page is intentionally left blank.

General Fund

GENERAL FUND

The General Fund is the principal fund of the City and is used to account for all activities of the City not included in other specific funds. The General Fund accounts for the normal recurring activities of the City such as the police department, fire department, parks and recreation, public works and the Board of Education. These activities are funded primarily by property taxes levied on individuals and local businesses.

**CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)**

Grand List Year	Mill Rate	Uncollected Taxes July 1, 2020	Net Lawful		Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions		Taxes	Interest and Lien Fees	Total	
2019	50.50	\$	\$ 135,124	* \$	\$ 135,124	\$ 129,920	\$ 680	\$ 130,600	\$ 5,204
2018	50.50	4,847	107	69	4,885	2,472	692	3,164	2,413
2017	50.50	2,214	99	18	2,295	680	327	1,007	1,615
2016	50.50	1,478	29	4	1,503	264	188	452	1,239
2015	49.00	1,190	32	17	1,205	170	151	321	1,035
2014	49.00	1,051	42	46	1,047	104	130	234	943
2013	44.12	873		9	864	55	88	143	809
2012	36.63	699		38	661	21	87	108	640
2011	36.63	570	40	43	567	25	50	75	542
2010	36.63	496	35	38	493	21	46	67	472
2009	34.98	486		4	482	17	44	61	465
2008	34.98	466		3	463	17	45	62	446
2007	45.89	482			482	16	43	59	466
2006	45.88	575		2	573	14	47	61	559
2005	45.89	544	4	2	546	14	53	67	532
2004	46.90	481		481	-			-	-
Total		\$ 16,452	\$ 135,512	\$ 774	\$ 151,190	\$ 133,810	\$ 2,671	136,481	\$ 17,380

* Includes motor vehicle supplement

Property taxes receivable considered available:

June 30, 2019 (970)

June 30, 2020 936

Total Collections \$ 136,447

This page is intentionally left blank.

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Stanley Quarter Park	Golf fees and Concession income	Operations of Public Golf Course
Park Security and Policing	Rental fees	To pay for a park security guard
Cemetery	Lot sales, internments, trust income	Fairview Cemetery operations
Sewer Use	User fees and investment earnings	Operation of the sewer systems
Police and Youth Grants	State and Federal Grants	Police and youth programs
New Britain Marketing Collaborative	New Britain Chamber of Commerce and the City's General Fund	Promote the City and its various activities and events
Local Capital Improvement	State grant	Capital Improvement Fund
Retiree Plan Reimbursement	State grant	Preventing the spread of the West Nile Virus
Lead Poisoning Prevention	State grant	Prevent lead poisoning in City youth
American Savings Grant	The American Savings Foundation	Provides after school programs for the City's youth
Police Explorers Program	Various funding sources	To introduce young men and women to the field of law enforcement
Preventive Health Block Grant	State grant	To create awareness of health issues in high school students
Parks & Recreation Special Projects	Various funding sources	To perform tasks for other City departments and agencies
21 st Century, After School Grant	State grant	Provides after school programs for the City's youth
Exercise the Right Choice	State grant	After school programs
Exercise the Right Choice II	State grant	After school programs
Immunization Action Plan	State grant	Infant vaccination program
Bullet Proof Vest Grant	Federal grant	Subsidizes the purchase of bullet proof vests for the City's police officers
Bioterrorism Grant	Federal grant	Assists the City with the development of plans in the event of a bio-terrorist attack
System of Care Grant	State grant passed through Wheeler Clinic	Programs to respond to the mental health needs of City youth
Historical Records Preservation	State grant	Preservation of the City's Records
21 st Century Grant	State grant	Provides after school programs for the City's school-age population
Property Management	Rental income	To maintain foreclosed properties that have been acquired by the City.
Public Safety Grants	Capital Region Council of Governments	Maintenance of public safety 911 system
Centralized and Distribution Services	Various funding sources	This fund houses the costs for centralized services, mainly cell phone costs at this point, until these charges are ready to be allocated to the various City funds
Conversation on Race	State and Federal grants	Interracial awareness program
Victim Services Coordinator Grant	State grant	Provides for overtime expenses for the City's victim service coordinator
Federal Omnibus Appropriation	Federal grant	Reducing crime and improving public safety
CT Health Foundation	Local and state grants	To promote health initiatives
STD Control Program	State grant	STD prevention education and testing
Recreation Donation	Donations from local businesses	Fund various youth activities and scholarship awards
Recreation Amusement	Rental of recreation equipment	For the maintenance and purchase of new equipment
Health Per Capita	State grant	Augment local public health effort
Highway Safety Grant	State grant	Purchasing intoxilyzers for the City's police department

Fund	Funding Source	Function
Drug Investigation	State Drug Asset Forfeiture Fund	Drug education and enforcement.
Senior Citizens Center	Fees and charges for services	Operations of the City's Senior Center
Mobile Data Communication	State, Federal and Local funding	Enhance the City's Emergency Response System
Pulmonary Screening	State grant	Screening for pulmonary disease
Mayor's Fun Day	State grant	Provides music, activities, food and fun for children of all ages
Assistance to CCSU Police Dept	Various funding sources	To assist the CCSU police department
Asthma Initiative Grant	State Grant	To provide awareness on asthma
ARRA Paving Program	Federal Grant	Pave portions of Corbin Avenue, Ellis Street, Stanley Street and East Street
Public Works Grants	State and Federal Grants	Perform various street and sidewalk improvements throughout the City
Fireworks Fund	Donations	Provide citizens with annual Fourth of July celebration
Youth Service Bureau Program Activity	Donations	Youth Service Bureau and Community Services
School Lunch Program	Federal, State and Local	School lunch programs
School Rental Account	Rental fees	Rental of school facilities
High School Athletic	Gate receipts	Purchase athletic equipment and supplies
Adult Education	Federal, State and local	Educational programs for adult residents
Summer School Music	Various funding sources	Summer school music program
Community and Neighborhood Development	State grant	Provide community and neighborhood development
Business Outreach	State grant	Development costs for the Constructive Workshops business incubator
Emergency Shelter Grant	Federal grant	Housing opportunities for homeless individuals
Community Development Block Grant	Federal grant	Housing and community activities to for low- and moderate-income persons
HOME Project	Federal grant	Acquisition, rehabilitation and creation of housing for low and moderate income persons
Lead Grant	Federal grant	Residences in need of lead removal
State Home Programs	State grant	Rehabilitation of residential units
CHFA Broad Street Demolition	State grant	Demolition activities in the Broad St. Neighborhood Revitalization Zone
Redevelopment Commission	Various funding sources	Activities of the redevelopment commission
Brownfield Pilot	Federal grant	Evaluation of Brownfield sites
Rental	Rental income	DMD properties
EFSP Program	Federal grant	Community and economic development activities
Neighborhood Stabilization Program	Federal grant	Acquisition and rehabilitation of foreclosed property
C.B. Erwin Walnut Hill Park	Investment earnings	The upkeep of Walnut Hill Park
Darius Miller Walnut Hill	Investment earnings	The upkeep of Walnut Hill Park
C.B. Stanley Walnut Hill	Investment earnings	The upkeep of Walnut Hill Park
Parks and Recreation	Investment earnings	The upkeep of Walnut Hill Park and Fairview Cemetery
Darius Miller F/B/O Fairview Cemetery	Investment earnings	The upkeep of Fairview Cemetery
Arts Fund	Various funding sources	Activities benefiting the arts
America the Beautiful Forestry	Various funding sources	Activities to create and sustain forestry
COPS Hiring Grant	State and local funding sources	Hiring of police officers
Camp Schade	Federal grant	Camp programming at Camp Schade
Fire Grant	Local funding sources	Promoting fire safety
Cold Weather Shelter	State grant	Emergency shelter which runs from 12/15 - 3/15
Busway Bike Trails	State and local funding sources	Activities to promote benefits of biking and safety
Opioid Fund	State grant	Fighting opioid addiction
ELC Enhancing Detection	State grant	To enhance laboratory detection, surveillance response, informatics, and other workforce capacity.

This page is intentionally left blank.

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	Special Revenue Funds								
	Stanley Quarter Park	Park Security and Policing	Cemetery	Sewer Use	Local Capital Improvement	Retiree Plan Reimbursement	American Savings Grant	Police Explorers	Preventative Health Block Grant
ASSETS									
Cash and cash equivalents	\$	\$ 125	\$	\$ 248	\$	\$ 73	\$ 92	\$ 8	\$ 32
Investments									
Accounts receivable				8,072					
Loans receivable									
Due from other funds				1,849					
Inventory									
Total Assets	\$ -	\$ 125	\$ -	\$ 10,169	\$ -	\$ 73	\$ 92	\$ 8	\$ 32
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 308	\$	\$ 25	\$ 56	\$ 90	\$	\$ 4	\$	
Due to other funds	284		582						
Total liabilities	592	-	607	56	90	-	4	-	-
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable				6,271					
Unavailable revenue - loans receivable									
Total deferred inflows of resources	-	-	-	6,271	-	-	-	-	-
Fund Balances:									
Nonspendable									
Restricted							88		32
Committed		125		3,842		73		8	
Unassigned	(592)		(607)		(90)				
Total fund balances	(592)	125	(607)	3,842	(90)	73	88	8	32
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 125	\$ -	\$ 10,169	\$ -	\$ 73	\$ 92	\$ 8	\$ 32

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	Special Revenue Funds								
	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bioterrorism Grant	Historical Records Preservation	21st Century Grant	Centralized and Distribution Services	Conversation on Race
ASSETS									
Cash and cash equivalents	\$	\$ 37	\$	\$	\$ 332	\$ 234	\$ 21	\$	\$ 6
Investments									
Accounts receivable				7	13				
Loans receivable									
Due from other funds									
Inventory									
Total Assets	\$ -	\$ 37	\$ -	\$ 7	\$ 345	\$ 234	\$ 21	\$ -	\$ 6
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2	\$ 5	\$ 2	\$ 3	\$ 16	\$ 49	\$ 11	\$	\$
Due to other funds	40		2	27				236	
Total liabilities	42	5	4	30	16	49	11	236	-
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable									
Restricted		32			329		10		
Committed						185			6
Unassigned	(42)		(4)	(23)				(236)	
Total fund balances	(42)	32	(4)	(23)	329	185	10	(236)	6
Total Liabilities, Deferred Inflows of Resources and Fund Balances									
	\$ -	\$ 37	\$ -	\$ 7	\$ 345	\$ 234	\$ 21	\$ -	\$ 6

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)**

	Special Revenue Funds								
	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation
ASSETS									
Cash and cash equivalents	\$ 2	\$	\$ 80	\$ 3	\$ 239	\$ 42	\$ 80	\$	\$ 693
Investments									
Accounts receivable		137		4	1				
Loans receivable									
Due from other funds									
Inventory									
Total Assets	<u>\$ 2</u>	<u>\$ 137</u>	<u>\$ 80</u>	<u>\$ 7</u>	<u>\$ 240</u>	<u>\$ 42</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 693</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$ 1	\$ 1	\$ 1	\$ 1	\$ 11
Due to other funds		164						306	
Total liabilities	<u>-</u>	<u>164</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>307</u>	<u>11</u>
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable									
Restricted	2			7			79		682
Committed			80		239	41			
Unassigned		(27)						(307)	
Total fund balances	<u>2</u>	<u>(27)</u>	<u>80</u>	<u>7</u>	<u>239</u>	<u>41</u>	<u>79</u>	<u>(307)</u>	<u>682</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2</u>	<u>\$ 137</u>	<u>\$ 80</u>	<u>\$ 7</u>	<u>\$ 240</u>	<u>\$ 42</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 693</u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)**

	Special Revenue Funds								
	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day	Assistance to CCSU Police Department	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity
ASSETS									
Cash and cash equivalents	\$ 41	\$	\$ 76	\$ 4	\$	\$	\$	\$	\$ 32
Investments									
Accounts receivable				30		489	32		
Loans receivable									
Due from other funds		1,189							
Inventory									
Total Assets	<u>\$ 41</u>	<u>\$ 1,189</u>	<u>\$ 76</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 489</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 32</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 4	\$	\$ 10	\$ 115	\$	\$
Due to other funds					3	573	682	25	
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>3</u>	<u>583</u>	<u>797</u>	<u>25</u>	<u>-</u>
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable									
Restricted		1,189	76						32
Committed	41			30					
Unassigned					(3)	(94)	(765)	(25)	
Total fund balances	<u>41</u>	<u>1,189</u>	<u>76</u>	<u>30</u>	<u>(3)</u>	<u>(94)</u>	<u>(765)</u>	<u>(25)</u>	<u>32</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 41</u>	<u>\$ 1,189</u>	<u>\$ 76</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 489</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 32</u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)**

	Special Revenue Funds								
	School Lunch Program	School Rental Account	High School Athletic	Adult Education	Summer School Music	Student Activity Fund	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant
ASSETS									
Cash and cash equivalents	\$ 10,624	\$ 162	\$ 218	\$ 154	\$ 43	\$ 388	\$ 22	\$ 18	\$
Investments									
Accounts receivable	1,006							12	
Loans receivable									
Due from other funds									
Inventory	245								
Total Assets	<u>\$ 11,875</u>	<u>\$ 162</u>	<u>\$ 218</u>	<u>\$ 154</u>	<u>\$ 43</u>	<u>\$ 388</u>	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 621	\$	\$	\$	\$	\$	\$ 22	\$ 82	\$ 10
Due to other funds									29
Total liabilities	<u>621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>82</u>	<u>39</u>
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable	245								
Restricted	11,009					388			
Committed		162	218	154	43				
Unassigned								(52)	(39)
Total fund balances	<u>11,254</u>	<u>162</u>	<u>218</u>	<u>154</u>	<u>43</u>	<u>388</u>	<u>-</u>	<u>(52)</u>	<u>(39)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,875</u>	<u>\$ 162</u>	<u>\$ 218</u>	<u>\$ 154</u>	<u>\$ 43</u>	<u>\$ 388</u>	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	Special Revenue Funds								
	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program
ASSETS									
Cash and cash equivalents	\$ 501	\$ 1,559	\$ 349	\$ 47	\$ 98	\$ 6	\$	\$ 47	\$
Investments									
Accounts receivable	1,003	101	1,235				4		
Loans receivable	1,139	2,146	37						
Due from other funds									
Inventory									
Total Assets	<u>\$ 2,643</u>	<u>\$ 3,806</u>	<u>\$ 1,621</u>	<u>\$ 47</u>	<u>\$ 98</u>	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 47</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 223	\$ 99	\$	\$	\$	12	\$	\$	\$
Due to other funds							9		13
Total liabilities	<u>223</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>9</u>	<u>-</u>	<u>13</u>
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable	1,138	2,155	1,261						
Total deferred inflows of resources	<u>1,138</u>	<u>2,155</u>	<u>1,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable									
Restricted	1,282	1,552	360	47	98				
Committed								47	
Unassigned						(6)	(5)		(13)
Total fund balances	<u>1,282</u>	<u>1,552</u>	<u>360</u>	<u>47</u>	<u>98</u>	<u>(6)</u>	<u>(5)</u>	<u>47</u>	<u>(13)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,643</u>	<u>\$ 3,806</u>	<u>\$ 1,621</u>	<u>\$ 47</u>	<u>\$ 98</u>	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 47</u>	<u>\$ -</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	Special Revenue Funds							
	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery	Arts Fund	America the Beautiful Forestry
ASSETS								
Cash and cash equivalents	\$	\$	\$ 1	\$	\$ 13	\$	\$ 1	\$
Investments		386	1,646	1,941		310		
Accounts receivable								
Loans receivable								
Due from other funds								
Inventory								
Total Assets	\$ -	\$ 386	\$ 1,647	\$ 1,941	\$ 13	\$ 310	\$ 1	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 7	\$	\$	\$	\$	\$	\$	\$
Due to other funds	46							
Total liabilities	53	-	-	-	-	-	-	-
Deferred Inflows of Resources:								
Unavailable revenue - sewer receivable								
Unavailable revenue - loans receivable								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable			1,647	1,941		310		
Restricted		386						
Committed					13		1	
Unassigned	(53)							
Total fund balances	(53)	386	1,647	1,941	13	310	1	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances								
	\$ -	\$ 386	\$ 1,647	\$ 1,941	\$ 13	\$ 310	\$ 1	\$ -

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	Special Revenue Funds							Interfund Eliminations	Total Nonmajor Governmental Funds
	Camp Schade	Fire Grant	Cold Weather Shelter	Busway Bike Trails	Opioid Fund	ELC Enhancing Detection	Total		
ASSETS									
Cash and cash equivalents	\$	\$	\$ 6	\$ 16	\$ 71	\$ 58	\$ 16,902	\$	\$ 16,902
Investments							4,283		4,283
Accounts receivable		13					12,159		12,159
Loans receivable							3,322		3,322
Due from other funds							3,038	(3,038)	-
Inventory							245		245
Total Assets	\$ -	\$ 13	\$ 6	\$ 16	\$ 71	\$ 58	\$ 39,949	\$ (3,038)	\$ 36,911
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$ 19	\$ 4	\$ 1,814	\$	\$ 1,814
Due to other funds	10	7					3,038	(3,038)	-
Total liabilities	10	7	-	-	19	4	4,852	(3,038)	1,814
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable							6,271		6,271
Unavailable revenue - loans receivable							4,554		4,554
Total deferred inflows of resources	-	-	-	-	-		10,825	-	10,825
Fund Balances:									
Nonspendable							4,143		4,143
Restricted		6		16	52	54	17,808		17,808
Committed			6				5,314		5,314
Unassigned	(10)						(2,993)		(2,993)
Total fund balances	(10)	6	6	16	52	54	24,272	-	24,272
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 13	\$ 6	\$ 16	\$ 71	\$ 58	\$ 39,949	\$ (3,038)	\$ 36,911

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

EXHIBIT B-2

	Special Revenue Funds							
	Stanley Quarter Park	Park Security and Policing	Cemetery	Sewer Use	Local Capital Improvement	Retiree Plan Reimbursement	American Savings Grant	Police Explorers
Revenues:								
Intergovernmental revenue	\$	\$	\$	\$	\$ 288	\$	\$ 150	\$
Investment earnings								
Investment losses			302					
Licenses, fees and charges for goods and services	2,249	48	385	12,139				
Other revenues								4
Total revenues	<u>2,249</u>	<u>48</u>	<u>687</u>	<u>12,139</u>	<u>288</u>	<u>-</u>	<u>150</u>	<u>4</u>
Expenditures:								
General government								
Public safety		22						1
Public works				9,662	194			
Health and welfare			505					
Parks, recreation and libraries	1,899						67	
Education								
Total expenditures	<u>1,899</u>	<u>22</u>	<u>505</u>	<u>9,662</u>	<u>194</u>	<u>-</u>	<u>67</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	<u>350</u>	<u>26</u>	<u>182</u>	<u>2,477</u>	<u>94</u>	<u>-</u>	<u>83</u>	<u>3</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out	(1)		(12)	(965)				
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>(12)</u>	<u>(965)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	349	26	170	1,512	94	-	83	3
Fund Balances at Beginning of Year	(941)	99	(777)	2,330	(184)	73	5	5
Fund Balances at End of Year	<u>\$ (592)</u>	<u>\$ 125</u>	<u>\$ (607)</u>	<u>\$ 3,842</u>	<u>\$ (90)</u>	<u>\$ 73</u>	<u>\$ 88</u>	<u>\$ 8</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

EXHIBIT B-2

	Special Revenue Funds								
	Preventative Health Block Grant	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bioterrorism Grant	Historical Records Preservation	21st Century Grant	Centralized and Distribution Services
Revenues:									
Intergovernmental revenue	\$ 13	\$ 136	\$ 203	\$ 34	\$ 76	\$ 400	\$ 60	\$ 86	\$
Investment earnings									
Investment losses									
Licenses, fees and charges for goods and services									
Other revenues									
Total revenues	<u>13</u>	<u>136</u>	<u>203</u>	<u>34</u>	<u>76</u>	<u>400</u>	<u>60</u>	<u>86</u>	<u>-</u>
Expenditures:									
General government							26		
Public safety									
Public works									
Health and welfare	3				100	84			
Parks, recreation and libraries		171	172	34				98	
Education									
Total expenditures	<u>3</u>	<u>171</u>	<u>172</u>	<u>34</u>	<u>100</u>	<u>84</u>	<u>26</u>	<u>98</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10</u>	<u>(35)</u>	<u>31</u>	<u>-</u>	<u>(24)</u>	<u>316</u>	<u>34</u>	<u>(12)</u>	<u>-</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	10	(35)	31	-	(24)	316	34	(12)	-
Fund Balances at Beginning of Year	<u>22</u>	<u>(7)</u>	<u>1</u>	<u>(4)</u>	<u>1</u>	<u>13</u>	<u>151</u>	<u>22</u>	<u>(236)</u>
Fund Balances at End of Year	<u>32</u>	<u>(42)</u>	<u>32</u>	<u>(4)</u>	<u>(23)</u>	<u>329</u>	<u>185</u>	<u>10</u>	<u>(236)</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021
 (In Thousands)

EXHIBIT B-2

	Special Revenue Funds								
	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant
Revenues:									
Intergovernmental revenue	\$	\$	\$ 91	\$	\$ 22	\$	\$	\$ 78	\$ 59
Investment earnings									
Investment losses									
Licenses, fees and charges for goods and services									
Other revenues	2					21	2		
Total revenues	2	-	91	-	22	21	2	78	59
Expenditures:									
General government									
Public safety			91						57
Public works									
Health and welfare				714	18			37	
Parks, recreation and libraries	3					34	4		
Education									
Total expenditures	3	-	91	714	18	34	4	37	57
Excess (Deficiency) of Revenues over Expenditures	(1)	-	-	(714)	4	(13)	(2)	41	2
Other Financing Sources (Uses):									
Transfers in				204					
Transfers out									
Total other financing sources (uses)	-	-	-	204	-	-	-	-	-
Net Change in Fund Balances	(1)	-	-	(510)	4	(13)	(2)	41	2
Fund Balances at Beginning of Year	7	2	(27)	590	3	252	43	38	(309)
Fund Balances at End of Year	6	2	(27)	80	7	239	41	79	(307)

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

EXHIBIT B-2

	Special Revenue Funds								
	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day	Assistance to CCSU Police Department	ARRA Paving Program	Public Works Grants	Fireworks Fund
Revenues:									
Intergovernmental revenue	\$ 58	\$	\$ 289	\$ 17	\$	\$ 10	\$ 1,948	\$ 1,732	\$
Investment earnings									
Investment losses									
Licenses, fees and charges for goods and services		67							
Other revenues					63				
Total revenues	<u>58</u>	<u>67</u>	<u>289</u>	<u>17</u>	<u>63</u>	<u>10</u>	<u>1,948</u>	<u>1,732</u>	<u>-</u>
Expenditures:									
General government									
Public safety	36		28			3			
Public works							1,948	1,893	
Health and welfare				10					
Parks, recreation and libraries		72			63				69
Education									
Total expenditures	<u>36</u>	<u>72</u>	<u>28</u>	<u>10</u>	<u>63</u>	<u>3</u>	<u>1,948</u>	<u>1,893</u>	<u>69</u>
Excess (Deficiency) of Revenues over Expenditures	<u>22</u>	<u>(5)</u>	<u>261</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>(161)</u>	<u>(69)</u>
Other Financing Sources (Uses):									
Transfers in									53
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53</u>
Net Change in Fund Balances	22	(5)	261	7	-	7	-	(161)	(16)
Fund Balances at Beginning of Year	<u>660</u>	<u>46</u>	<u>928</u>	<u>69</u>	<u>30</u>	<u>(10)</u>	<u>(94)</u>	<u>(604)</u>	<u>(9)</u>
Fund Balances at End of Year	<u>\$ 682</u>	<u>\$ 41</u>	<u>\$ 1,189</u>	<u>\$ 76</u>	<u>\$ 30</u>	<u>\$ (3)</u>	<u>\$ (94)</u>	<u>\$ (765)</u>	<u>\$ (25)</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

EXHIBIT B-2

	Special Revenue Funds								
	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic	Adult Education	Summer School Music	Student Activities Fund	Community and Neighborhood Development	Business Outreach
Revenues:									
Intergovernmental revenue	\$	\$ 8,202	\$	\$	\$	\$	\$	\$	\$
Investment earnings									
Investment losses									
Licenses, fees and charges for goods and services		81	5	1	20		332		
Other revenues	25								
Total revenues	25	8,283	5	1	20	-	332	-	-
Expenditures:									
General government									
Public safety									
Public works									
Health and welfare									
Parks, recreation and libraries									
Education	13	6,747			5		321		
Total expenditures	13	6,747	-	-	5	-	321	-	-
Excess (Deficiency) of Revenues over Expenditures	12	1,536	5	1	15	-	11	-	-
Other Financing Sources (Uses):									
Transfers in									
Transfers out									
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	12	1,536	5	1	15	-	11	-	-
Fund Balances at Beginning of Year	20	9,718	157	217	139	43	377	-	(52)
Fund Balances at End of Year	\$ 32	\$ 11,254	\$ 162	\$ 218	\$ 154	\$ 43	\$ 388	\$ -	\$ (52)

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

EXHIBIT B-2

	Special Revenue Funds								
	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition	Redevelopment Commission	Brownfield Pilot	Rental
Revenues:									
Intergovernmental revenue	\$	\$ 2,135	\$ 450	\$ 679	\$	\$	\$	\$	\$
Investment earnings			1						
Investment losses									
Licenses, fees and charges for goods and services		20							
Other revenues		156	948						
Total revenues	-	2,311	1,399	679	-	-	-	-	-
Expenditures:									
General government									
Public safety									
Public works									
Health and welfare		2,266	542	539					
Parks, recreation and libraries									
Education									
Total expenditures	-	2,266	542	539	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	45	857	140	-	-	-	-	-
Other Financing Sources (Uses):									
Transfers in									
Transfers out									
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	45	857	140	-	-	-	-	-
Fund Balances at Beginning of Year	(39)	1,237	695	220	47	98	(6)	(5)	47
Fund Balances at End of Year	\$ (39)	\$ 1,282	\$ 1,552	\$ 360	\$ 47	\$ 98	\$ (6)	\$ (5)	\$ 47

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021
 (In Thousands)

EXHIBIT B-2

	Special Revenue Funds							
	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery	Arts Fund
Revenues:								
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$ 1
Investment earnings				423	494		80	
Investment losses			126					
Licenses, fees and charges for goods and services								
Other revenues								
Total revenues	-	-	126	423	494	-	80	1
Expenditures:								
General government								
Public safety								
Public works								
Health and welfare								
Parks, recreation and libraries			30	85	92		17	
Education								
Total expenditures	-	-	30	85	92	-	17	-
Excess (Deficiency) of Revenues over Expenditures	-	-	96	338	402	-	63	1
Other Financing Sources (Uses):								
Transfers in								
Transfers out								-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	96	338	402	-	63	1
Fund Balances at Beginning of Year	(13)	(53)	290	1,309	1,539	13	247	-
Fund Balances at End of Year	\$ (13)	\$ (53)	\$ 386	\$ 1,647	\$ 1,941	\$ 13	\$ 310	\$ 1

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021
 (In Thousands)

EXHIBIT B-2

	Special Revenue Funds								Total Nonmajor Governmental Funds
	America the Beautiful Forestry	Camp Schade	Fire Grant	Cold Weather Shelter	Busway Bike Trails	Opioid Fund	ELC Enhancing Detection	Interfund Eliminations	
Revenues:									
Intergovernmental revenue	\$ 8	\$	\$	\$	\$ -	\$ 340	\$ 258	\$	\$ 17,823
Investment earnings									998
Investment losses									428
Licenses, fees and charges for goods and services									15,347
Other revenues			15						1,236
Total revenues	<u>8</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>340</u>	<u>258</u>	<u>-</u>	<u>35,832</u>
Expenditures:									
General government									26
Public safety									238
Public works									13,697
Health and welfare			24			288	204		5,334
Parks, recreation and libraries	8								2,918
Education									7,086
Total expenditures	<u>8</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>288</u>	<u>204</u>	<u>-</u>	<u>29,299</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>54</u>	<u>-</u>	<u>6,533</u>
Other Financing Sources (Uses):									
Transfers in			8						265
Transfers out	-								(978)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(713)</u>
Net Change in Fund Balances	-	-	(1)	-	-	52	54	-	5,820
Fund Balances at Beginning of Year	<u>-</u>	<u>(10)</u>	<u>7</u>	<u>6</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,452</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 16</u>	<u>\$ 52</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 24,272</u>

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Services 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.

Special Reserve Fund

to account for revenues and expenditures related to the BOE's portion of the City's Medical Self-Insurance Plan

Health Insurance Fund

to account for revenues and expenditures related to the City's Medical Self-Insurance Plan.

Workers' Compensation Fund

to account for revenues and expenditures related to the City's Worker's Compensation Plan.

General Accident Casualty and Liability Fund

to account for revenues and expenditures related to the City's self-insurance program for general liability coverage.

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021
(In Thousands)

	<u>Special Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Interfund Elimination</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 9,580	\$ 11,052	\$	\$ 1,579	\$	\$ 22,211
Investments			19,459	2,937		22,396
Due from other funds	8,500				(8,500)	-
Accounts receivable		6				6
Total Assets	<u>\$ 18,080</u>	<u>\$ 11,058</u>	<u>\$ 19,459</u>	<u>\$ 4,516</u>	<u>\$ (8,500)</u>	<u>\$ 44,613</u>
LIABILITIES AND NET POSITION						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,316	\$ 61	\$ 14	\$	\$	\$ 1,391
Due to other funds			8,500		(8,500)	-
Claim reserves		611	12,328	2,982		15,921
Total liabilities	1,316	672	20,842	2,982	(8,500)	17,312
Net Position	<u>16,764</u>	<u>10,386</u>	<u>(1,383)</u>	<u>1,534</u>		<u>27,301</u>
Total Liabilities and Net Position	<u>\$ 18,080</u>	<u>\$ 11,058</u>	<u>\$ 19,459</u>	<u>\$ 4,516</u>	<u>\$ (8,500)</u>	<u>\$ 44,613</u>

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Total
Operating Revenues:					
Charges to other funds	\$ 24,980	\$ 11,885	\$ 1,648	\$	\$ 38,513
Other revenues		2,168		95	2,263
Total operating revenues	<u>24,980</u>	<u>14,053</u>	<u>1,648</u>	<u>95</u>	<u>40,776</u>
Operating Expenses:					
Claims incurred	20,287	11,928	3,557	59	35,831
Administrative costs	577	909	261	5	1,752
Total operating expenses	<u>20,864</u>	<u>12,837</u>	<u>3,818</u>	<u>64</u>	<u>37,583</u>
Operating Income (Loss)	4,116	1,216	(2,170)	31	3,193
Nonoperating Revenues (Expenses):					
Interest and dividends			1,938	273	2,211
Change in Net Position	4,116	1,216	(232)	304	5,404
Net Position at Beginning of Year	<u>12,648</u>	<u>9,170</u>	<u>(1,151)</u>	<u>1,230</u>	<u>21,897</u>
Net Position at End of Year	<u>\$ 16,764</u>	<u>\$ 10,386</u>	<u>\$ (1,383)</u>	<u>\$ 1,534</u>	<u>\$ 27,301</u>

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Total
Cash Flows from Operating Activities:					
Cash received from charges to other funds	\$ 24,980	\$ 11,885	\$ 1,648	\$	\$ 38,513
Cash received from other operating activities		2,170		97	2,267
Cash paid for premiums and other operating expenses	(577)	(909)	(261)	(5)	(1,752)
Cash payments for claims made	(20,096)	(11,937)	(3,592)	(59)	(35,684)
Net cash provided by (used in) operating activities	4,307	1,209	(2,205)	33	3,344
Cash Flows from Noncapital Financing Activities:					
Cash received from other funds	7,309		8,500		15,809
Cash paid to other funds	(8,500)		(7,309)		(15,809)
Net cash provided by (used in) noncapital financing activities	(1,191)		1,191	-	-
Cash Flows from Investing Activities:					
Interest income			1,938	273	2,211
Actuarial claims reserve		9	863	(17)	855
Purchase of investments			(1,787)	(268)	(2,055)
Net cash provided by (used in) investing activities	-	9	1,014	(12)	1,011
Net Increase (Decrease) in Cash and Cash Equivalents	3,116	1,218	-	21	4,355
Cash and Cash Equivalents at Beginning of Year	6,464	9,834	-	1,558	17,856
Cash and Cash Equivalents at End of Year	\$ 9,580	\$ 11,052	\$ -	\$ 1,579	\$ 22,211
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ 4,116	\$ 1,216	\$ (2,170)	\$ 31	\$ 3,193
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in accounts receivable		2		2	4
Increase (decrease) in accounts payable and accrued expenses	191	(9)	(35)		147
Total adjustments	191	(7)	(35)	2	151
Net Cash Provided by (Used In) Operating Activities	\$ 4,307	\$ 1,209	\$ (2,205)	\$ 33	\$ 3,344

This page is intentionally left blank.

Fiduciary Funds

TRUST FUNDS

Pension Trust Funds

to account for the City's single employer defined benefit pension plans that provide pension benefits for police and fire employees.

Other Post Employment Benefit Trust Fund

to account for the accumulation of resources for other post employment benefit payments to qualified employees for both the City and the consolidated school district.

CITY OF NEW BRITAIN, CONNECTICUT
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021
(In Thousands)

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$	\$	\$ 1,353	\$ 1,353
Investments	<u>94,388</u>	<u>75,444</u>	<u>8,670</u>	<u>178,502</u>
Total Assets	<u>\$ 94,388</u>	<u>\$ 75,444</u>	<u>\$ 10,023</u>	<u>\$ 179,855</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts payable	\$	\$	\$	\$ -
Due to other funds	<u>3,481</u>	<u>5,216</u>		<u>8,697</u>
Total liabilities	<u>3,481</u>	<u>5,216</u>	<u>-</u>	<u>8,697</u>
Net Position Held in Trust for Pension Benefits	<u>90,907</u>	<u>70,228</u>	<u>10,023</u>	<u>171,158</u>
Total Liabilities and Net Position	<u>\$ 94,388</u>	<u>\$ 75,444</u>	<u>\$ 10,023</u>	<u>\$ 179,855</u>

CITY OF NEW BRITAIN, CONNECTICUT
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 1,700	\$ 1,700	\$ 7,538	\$ 10,938
Employee	147	57		204
Total contributions	<u>1,847</u>	<u>1,757</u>	<u>7,538</u>	<u>11,142</u>
Investment income:				
Net change in fair value of investments	20,856	17,059	1,823	39,738
Interest and dividends	1,165	784		1,949
Investment expense	(105)	(49)	(2)	(156)
Net investment income	<u>21,916</u>	<u>17,794</u>	<u>1,821</u>	<u>41,531</u>
Less investment expense				
Net investment income	<u>21,916</u>	<u>17,794</u>	<u>1,821</u>	<u>41,531</u>
Total additions	<u>23,763</u>	<u>19,551</u>	<u>9,359</u>	<u>52,673</u>
Deductions:				
Benefits	7,455	8,263	7,374	23,092
Administration	30	30	2	62
Total deductions	<u>7,485</u>	<u>8,293</u>	<u>7,376</u>	<u>23,154</u>
Change in Net Position	16,278	11,258	1,983	29,519
Net Position at Beginning of Year	<u>74,629</u>	<u>58,970</u>	<u>8,040</u>	<u>141,639</u>
Net Position at End of Year	<u>\$ 90,907</u>	<u>\$ 70,228</u>	<u>\$ 10,023</u>	<u>\$ 171,158</u>

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

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

TABLE 1

CITY OF NEW BRITAIN, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 122,338	\$ 131,388	\$ 111,159	\$ 132,508	\$ 118,980	\$ 138,395	\$ 138,868	\$ 125,383	\$ 151,122	\$ 147,800
Restricted	34,998	3,295	3,580	3,466	3,392	3,814	3,311	2,855	8,281	8,109
Unrestricted	(186,119)	(126,102)	(94,000)	(105,212)	(47,898)	(62,371)	(94,349)	(25,437)	(42,371)	(47,512)
Total governmental activities net position	(28,783)	8,581	20,739	30,762	74,474	79,838	47,830	102,801	117,032	108,397
Business-type activities:										
Net investment in capital assets	45,532	43,744	43,064	42,429	42,120	41,799	41,387	41,058	39,737	39,381
Unrestricted	8,327	9,954	10,295	8,422	8,540	8,710	7,901	6,415	11,171	11,550
Total business-type activities net position	53,859	53,698	53,359	50,851	50,660	50,509	49,288	47,473	50,908	50,931
Primary government:										
Net investment in capital assets	167,870	175,132	154,223	174,937	161,100	180,194	180,255	166,441	190,859	187,181
Restricted	34,998	3,295	3,580	3,466	3,392	3,814	3,311	2,855	8,281	8,109
Unrestricted	(177,792)	(116,148)	(83,705)	(96,790)	(39,358)	(53,661)	(86,448)	(19,022)	(31,200)	(35,962)
Total Primary Government Net Position	\$ 25,076	\$ 62,279	\$ 74,098	\$ 81,613	\$ 125,134	\$ 130,347	\$ 97,118	\$ 150,274	\$ 167,940	\$ 159,328

Notes:

(1) Schedule prepared on the accrual basis of accounting.

TABLE 2

CITY OF NEW BRITAIN, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 12,945	\$ 14,549	\$ 33,074	\$ 7,405	\$ 10,235	\$ 12,907	\$ 3,687	\$ 15,087	\$ 11,539	\$ 12,124
Public safety	93,626	79,373	61,767	70,452	55,681	57,112	56,019	50,893	42,461	45,290
Public works	33,043	27,892	36,814	26,444	31,637	20,661	28,358	31,236	26,025	20,309
Health and welfare	7,425	9,448	7,322	6,485	5,953	6,746	6,605	6,633	6,188	6,574
Parks, recreation and libraries	11,613	13,012	9,275	2,115	12,624	13,857	15,804	13,304	10,647	13,077
Education	220,787	204,454	196,522	203,025	167,194	194,594	182,914	185,208	168,740	164,084
Interest on long-term debt	12,286	12,545	7,167	11,490	7,108	14,585	26,172	11,386	11,553	14,052
Total governmental activities expenses	391,725	361,273	351,941	327,416	290,432	320,462	319,559	313,747	277,153	275,510
Business-type activities:										
Water	11,202	10,669	9,639	9,274	10,450	9,446	8,922	5,176	11,242	10,236
Total Primary Government Expenses	<u>\$ 402,927</u>	<u>\$ 371,942</u>	<u>\$ 361,580</u>	<u>\$ 336,690</u>	<u>\$ 300,882</u>	<u>\$ 329,908</u>	<u>\$ 328,481</u>	<u>\$ 318,923</u>	<u>\$ 288,395</u>	<u>\$ 285,746</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,300	\$ 1,860	\$ 1,787	\$ 2,045	\$ 2,233	\$ 1,966	\$ 1,594	\$ 1,586	\$ 788	\$ 1,632
Public safety	4,609	4,712	3,670	3,471	3,726	4,027	3,185	4,207	4,202	3,810
Public works	14,331	15,125	15,679	13,204	13,512	12,534	12,943	13,385	12,697	11,820
Health and welfare	1,411	548	737	479	484	484	712	684	837	877
Parks, recreation and libraries	2,622	2,218	2,191	2,415	2,303	2,507	2,820	2,553	2,655	3,057
Education	426	409	1,287	450	529	594	943	744	596	507
Operating grants and contributions	163,948	157,787	146,678	159,712	117,079	147,578	139,486	139,955	131,215	122,717
Capital grants and contributions	4,946	5,672	18,625	7,063	3,484	23,232	7,737	5,619	1,984	2,632
Total governmental activities program revenues	194,593	188,331	190,654	188,839	143,350	192,922	169,420	168,733	154,974	147,052
Business-type activities:										
Charges for services	12,183	12,355	13,498	10,816	11,915	11,912	11,734	10,498	12,472	12,840
Capital grants and contributions	530									
Total business-type activities revenues	12,713	12,355	13,498	10,816	11,915	11,912	11,734	10,498	12,472	12,840
Total Primary Government Program Revenues	<u>\$ 207,306</u>	<u>\$ 200,686</u>	<u>\$ 204,152</u>	<u>\$ 199,655</u>	<u>\$ 155,265</u>	<u>\$ 204,834</u>	<u>\$ 181,154</u>	<u>\$ 179,231</u>	<u>\$ 167,446</u>	<u>\$ 159,892</u>
Net (Expense) Revenue:										
Governmental activities	\$ (197,132)	\$ (172,942)	\$ (161,287)	\$ (138,577)	\$ (147,082)	\$ (127,540)	\$ (150,139)	\$ (145,014)	\$ (122,179)	\$ (128,458)
Business-type activities	1,511	1,686	3,859	1,542	1,465	2,466	2,812	5,322	1,230	2,604
Total Primary Government Net Expense	<u>\$ (195,621)</u>	<u>\$ (171,256)</u>	<u>\$ (157,428)</u>	<u>\$ (137,035)</u>	<u>\$ (145,617)</u>	<u>\$ (125,074)</u>	<u>\$ (147,327)</u>	<u>\$ (139,692)</u>	<u>\$ (120,949)</u>	<u>\$ (125,854)</u>

(Continued on next page)

TABLE 2

**CITY OF NEW BRITAIN, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	\$ 138,960	\$ 13,946	\$ 134,636	\$ 126,741	\$ 121,948	\$ 127,292	\$ 121,333	\$ 108,112	\$ 112,865	\$ 106,069
Grants and contributions not restricted to specific purposes	13,625	13,651	13,035	15,130	18,200	11,528	10,974	11,105	10,184	11,024
Unrestricted investment earnings	3,398	1,866	245	1,508	2,244	466	1,016	3,562	2,092	870
Transfer									1,263	
Miscellaneous	2,053	4,448	1,994	186	185	3,101	1,947	1,341	4,410	3,654
Total governmental activities	<u>158,036</u>	<u>33,911</u>	<u>149,910</u>	<u>143,565</u>	<u>142,577</u>	<u>142,387</u>	<u>135,270</u>	<u>124,120</u>	<u>130,814</u>	<u>121,617</u>
Business-type activities:										
Unrestricted investment earnings	5	8	3	4	3	5	3	9	10	19
Transfer									(1,263)	
Total business-type activities	<u>5</u>	<u>8</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>5</u>	<u>3</u>	<u>9</u>	<u>(1,253)</u>	<u>19</u>
Total Primary Government	<u>\$ 158,041</u>	<u>\$ 33,919</u>	<u>\$ 149,913</u>	<u>\$ 143,569</u>	<u>\$ 142,580</u>	<u>\$ 142,392</u>	<u>\$ 135,273</u>	<u>\$ 124,129</u>	<u>\$ 129,561</u>	<u>\$ 121,636</u>
Changes in Net Position:										
Governmental activities	\$ (37,741)	\$ (12,158)	\$ (10,023)	\$ 6,343	\$ (3,188)	\$ 16,097	\$ (13,869)	\$ (14,231)	\$ 8,635	\$ (6,841)
Business-type activities	<u>161</u>	<u>339</u>	<u>2,508</u>	<u>191</u>	<u>151</u>	<u>1,221</u>	<u>1,815</u>	<u>(1,332)</u>	<u>(23)</u>	<u>2,623</u>
Total Primary Government	<u>\$ (37,580)</u>	<u>\$ (11,819)</u>	<u>\$ (7,515)</u>	<u>\$ 6,534</u>	<u>\$ (3,037)</u>	<u>\$ 17,318</u>	<u>\$ (12,054)</u>	<u>\$ (15,563)</u>	<u>\$ 8,612</u>	<u>\$ (4,218)</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2002.

TABLE 3

CITY OF NEW BRITAIN, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved										
Committed										
Assigned	4,550	4,500	2,143	9,208	17,294	3,165				41
Unassigned	19,582	17,777	22,853	17,239	18,838	25,235	11,277	4,965	12,595	12,159
Total General Fund	\$ <u>24,132</u>	\$ <u>22,277</u>	\$ <u>24,996</u>	\$ <u>26,447</u>	\$ <u>36,132</u>	\$ <u>28,400</u>	\$ <u>11,277</u>	\$ <u>4,965</u>	\$ <u>12,595</u>	\$ <u>12,200</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable	4,143	3,295	3,580	3,466	3,392	3,033	3,212	3,095	2,038	2,890
Restricted	26,546	37,990	28,621	27,387	16,946	15,361	14,969	10,102	6,573	5,464
Committed	24,630	14,870	31,941	13,630	17,105	4,714	2,827	1,796	1,138	898
Assigned										41
Unassigned	(32,075)	(29,226)	(35,393)	(16,215)	(16,049)	(45,955)	(40,755)	(36,955)	(2,092)	(6,293)
Total All Other Governmental Funds	\$ <u>23,244</u>	\$ <u>26,929</u>	\$ <u>28,749</u>	\$ <u>28,268</u>	\$ <u>21,394</u>	\$ <u>(22,847)</u>	\$ <u>(19,747)</u>	\$ <u>(21,962)</u>	\$ <u>7,657</u>	\$ <u>3,000</u>

Note: Schedule prepared on the modified accrual basis of accounting.

The City began to report new fund balance categories when it implemented GASB 54 in fiscal year 2011.

TABLE 4

CITY OF NEW BRITAIN, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes	\$ 137,817	\$ 136,692	\$ 134,949	\$ 124,516	\$ 124,302	\$ 122,687	\$ 119,390	\$ 108,353	\$ 114,381	\$ 110,013
Intergovernmental	184,459	176,426	177,300	180,212	177,793	182,139	154,502	157,325	148,476	137,303
Licenses, fees and charges for goods and services	24,906	23,806	23,280	21,626	21,740	21,909	20,312	23,803	21,494	21,632
Income on investments	2,234	1,398	2,107	1,107	890	205	192	774	618	308
Miscellaneous	1,861	5,433	3,772	2,013	669	3,055	5,793	1,904	4,410	3,654
Total revenues	<u>351,277</u>	<u>343,755</u>	<u>341,408</u>	<u>329,474</u>	<u>325,394</u>	<u>329,995</u>	<u>300,189</u>	<u>292,159</u>	<u>289,379</u>	<u>272,910</u>
Expenditures:										
General government	9,008	6,393	6,484	6,576	6,121	5,294	5,792	5,574	10,057	11,027
Public safety	58,094	45,301	48,189	41,586	41,338	34,532	33,478	32,834	41,442	43,589
Public works	28,845	27,039	26,814	23,335	20,678	21,386	18,587	21,794	19,237	23,536
Social services	8,311	6,301	6,888	5,780	4,959	6,014	5,709	4,524	6,181	6,584
Education	208,017	199,397	186,424	201,949	200,048	186,620	180,080	177,987	164,743	160,477
Parks and recreation	10,950	10,483	10,048	9,905	9,836	10,132	10,135	8,822	10,064	12,569
Other										
Capital outlay	10,161	16,320	45,128	11,509	12,451	19,159	39,041	25,558	24,125	30,378
Debt service interest	5,915	34,030	29,308	28,491	23,062	18,356	16,885	29,803	11,680	9,433
Debt service principal	16,580	16,580	16,580	16,580	16,580	16,580	16,580	16,580	17,925	22,384
Total expenditures	<u>355,881</u>	<u>361,844</u>	<u>375,863</u>	<u>345,711</u>	<u>335,073</u>	<u>318,073</u>	<u>326,287</u>	<u>323,476</u>	<u>305,454</u>	<u>319,977</u>
Excess of Revenue Under Expenditures	<u>(4,604)</u>	<u>(18,089)</u>	<u>(34,455)</u>	<u>(16,237)</u>	<u>(9,679)</u>	<u>11,922</u>	<u>(26,098)</u>	<u>(31,317)</u>	<u>(16,075)</u>	<u>(47,067)</u>
Other Financing Sources (Uses):										
Transfers in	3,729	9,030	3,184	4,737	2,436	2,430	2,053	11,750	6,407	11,765
Transfers out	(2,374)	(7,675)	(1,830)	(3,382)	(1,119)	(1,180)	(1,053)	(5,087)	(5,144)	(1,269)
Premiums		835	3,161		7,846	7,587	4,794		244	
Discounts	(880)			(425)						
Proceeds from the issuance of bonds and notes	60,355	11,360	28,970	91,645	74,720	44,545	79,300		19,225	34,441
Payment to refund bond escrow agent	(58,433)			(79,149)	(22,231)	(51,169)	(50,581)			
Total other financing sources (uses)	<u>2,397</u>	<u>13,550</u>	<u>33,485</u>	<u>13,426</u>	<u>61,652</u>	<u>2,213</u>	<u>34,513</u>	<u>6,663</u>	<u>20,732</u>	<u>44,937</u>
Net Change in Fund Balances	<u>\$ (2,207)</u>	<u>\$ (4,539)</u>	<u>\$ (970)</u>	<u>\$ (2,811)</u>	<u>\$ 51,973</u>	<u>\$ 14,135</u>	<u>\$ 8,415</u>	<u>\$ (24,654)</u>	<u>\$ 4,657</u>	<u>\$ (2,130)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.38%	17.4%	13.8%	13.0%	13.6%	13.5%	12.7%	15.5%	11.8%	12.3%

Note: Schedule prepared on the modified accrual basis of accounting.

TABLE 5

CITY OF NEW BRITAIN, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Assessed Value	(5) Less BAA	Total Taxable Assessed Value	(6) Total Direct Tax Rate	(7) Estimated Actual Taxable Value	(8) Taxable Assessed Value As a Percentage of Actual Taxable Value
	(3) Residential	(4) Commercial	Industrial									
2021	\$ 1,546,429,890	\$ 1,794,548,875	\$ 105,911,610	\$ 337,827,820	\$ 310,434,144	\$ 1,241,410,280	\$ 2,853,742,059	\$ 168,843	\$ 2,853,573,216	50.50	\$ 4,076,533,166	70 %
2020	1,538,810,600	1,802,651,334	106,368,640	344,180,970	300,815,011	1,241,410,280	2,851,416,275	876,968	2,850,539,307	50.50	4,072,199,010	70
2019	1,535,825,240	1,765,042,054	107,369,390	305,820,230	298,383,485	1,199,265,530	2,813,174,869	2,349,048	2,810,825,821	50.50	4,015,465,469	70
2018	1,461,911,655	1,626,983,136	101,468,370	284,509,484	292,548,385	1,120,158,690	2,647,262,340	806,845	2,646,455,495	50.50	3,780,650,707	70
2017	1,458,581,000	1,626,528,220	101,828,520	269,632,550	281,369,967	1,122,062,650	2,615,877,607	263,907	2,615,613,700	50.50	3,736,591,000	70
2016	1,444,269,350	1,590,717,930	103,204,000	254,227,753	274,233,911	1,095,274,570	2,571,378,374	3,370,319	2,568,008,855	49.00	3,668,582,936	70
2015	1,454,112,610	1,554,791,310	94,988,420	233,843,033	269,962,738	1,057,820,460	2,549,887,651	429,399	2,549,458,252	49.00	3,642,083,217	70
2014	1,442,331,690	1,527,554,750	96,517,900	232,308,663	269,408,233	1,017,141,130	2,550,980,106	8,931,154	2,542,048,952	44.12	3,631,498,502	70
2013	1,886,545,695	1,610,643,885	104,931,570	225,067,185	265,203,698	1,143,311,947	2,949,080,086	366,513	2,948,713,573	36.63	4,212,447,961	70
2012	1,883,538,775	1,603,446,415	104,355,610	216,493,256	254,028,138	1,139,138,023	2,922,724,171	1,880,214	2,920,843,957	36.63	4,172,634,224	70

Source: City of New Britain Office of Tax Assessor

Note:

- (1) The October 1, 2012 and 2017 Grand List were revaluation years
- (2) The 2021 fiscal is the 2019 Grand List, 2020 is 2018 and so on
- (3) Residential also includes land and use assessment (i.e. farm, forest, open space)
- (4) Commercial also includes public utility, exempt properties and apartment buildings
- (5) Less BAA (Board of Assessment Appeals) changes
- (6) Total Direct Tax Rate = mill rate
- (7) Total Taxable Assessed Value / .70 = Actual Taxable Value
- (8) Taxable Assessed Value as a Percentage of Actual Value = Assessments are 70% of Value

The City of New Britain has no overlapping property tax rates

TABLE 6

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
2019 AND 2010**

October 1, 2019				October 1, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
CT Light & Power	\$ 84,404,840	1	2.96%	CT Light & Power	\$ 42,750,278	1	1.46%
Pebblebrook Apartments LLC	22,750,000	2	0.80%	Pebblebrook Apartments LLC	21,865,000	2	0.75%
StanleyBlack & Decker Inc	17,787,801	3	0.62%	Stanley Works	20,228,600	3	0.69%
Jubilee Equities LLC	16,715,962	4	0.59%	Inland Southeast New Britain LLC	12,859,566	4	0.44%
Connecticut Natural Gas	15,692,780	5	0.55%	Conn Natural Gas Corp	12,800,780	5	0.44%
Corwest Plaza Power, LLC	14,984,340	6	0.53%	NB-BTMC LLC	11,200,000	6	0.38%
Healthcare Porfolio III DST	13,158,830	7	0.46%	Farmington Hills 06 LLC	10,659,013	7	0.36%
Corbin Pinnacle, LLC	10,659,320	8	0.37%	Investment Associates LTP	10,620,890	8	0.36%
Paramount Plaza at New Brite LLC	10,150,000	9	0.36%	Webster Bank	11,706,462	9	0.40%
NB-BTMC, LLC	10,150,000	10	0.36%	HSC Community Services Inc	9,088,170	10	0.31%
	<u>\$ 216,453,873</u>		<u>7.59%</u>		<u>\$ 163,778,759</u>		<u>5.59%</u>

TABLE 7

**CITY OF NEW BRITAIN, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2021	50.50	\$ 135,125	\$ 130,247	96.39%	\$ N/A	\$ 130,247	96.39%
2020	50.50	134,451	129,572	96.37%	2,565	132,137	98.28%
2019	50.50	133,608	128,879	96.46%	3,143	132,022	98.81%
2018	50.50	123,675	119,490	96.62%	2,995	122,485	99.04%
2017	50.50	122,530	119,144	97.24%	2,383	121,527	99.18%
2016	49.00	121,394	117,265	96.60%	3,228	120,493	99.26%
2015	49.00	120,101	115,575	96.23%	3,718	119,293	99.33%
2014	44.12	106,331	103,465	97.30%	2,253	105,718	99.42%
2013	36.63	106,630	104,180	97.70%	1,948	106,128	99.53%
2012	36.63	107,582	103,302	96.02%	3,843	107,145	99.59%

Source: Tax Collector's Report; Comprehensive Annual Financial Report

TABLE 8

**CITY OF NEW BRITAIN, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, Except Per Capita)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Debt to Taxable Assessed Value	Percentage of Personal Income	Debt Per Capita	Population	Debt Per Water Customer	Customers
	General Obligation Bonds and Other Notes	Capital Leases	Water								
2021	\$ 299,832	\$ -	\$ 6,791	\$	306,623	7.53% %	9.07% %	\$ 4,120	72,767	\$ 387	17,557
2020	309,329	-	9,307		318,636	7.60%	9.42%	4,109	75,277	512	18,168
2019	315,084	-	11,289		326,373	7.85	10.33	4,324	72,876	620	18,196
2018	300,353	-	10,583		310,936	7.94	9.85	4,121	72,876	583	18,157
2017	298,631	-	12,417		311,048	7.99	10.11	4,092	72,988	705	17,601
2016	254,808	-	14,251		269,059	6.95	8.60	3,486	73,095	788	18,095
2015	255,064	-	16,085		271,149	7.00	8.74	3,488	73,122	890	18,068
2014	213,576	-	17,919		231,495	5.88	7.34	2,923	73,055	995	18,018
2013	230,081	-	19,754		249,835	5.46	7.40	3,095	74,348	1,102	17,932
2012	228,282	-	21,588		249,870	5.47	7.34	3,070	74,348	1,208	17,877

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2021
(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2020					\$ 135,747 *
Reimbursement for revenue loss					<u>27</u>
BASE for Debt Limitation Computation					<u><u>\$ 135,774</u></u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension
Debt limitation:					
2-1/4 times base	\$ 305,492	\$	\$	\$	\$
4-1/2 times base		610,983			
3-3/4 times base			509,153		
3-1/4 times base				441,266	
3 times base					407,322
Total debt limitation	<u>305,492</u>	<u>610,983</u>	<u>509,153</u>	<u>441,266</u>	<u>407,322</u>
Indebtedness:					
Bonds and notes payable	240,319	50,730	1,331		
Bond anticipation notes					
Overlapping debt			20,137		
Bonds authorized - unissued	31,199	105,882	4,459		
Total indebtedness	<u>271,518</u>	<u>156,612</u>	<u>25,927</u>	<u>-</u>	<u>-</u>
Less self-liquidating indebtedness:					
Statutory exclusion-pension obligation bond	30,200				
Total self-liquidating indebtedness	<u>30,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness less self-liquidating indebtedness	<u>241,318</u>	<u>156,612</u>	<u>25,927</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 64,174</u></u>	<u><u>\$ 454,371</u></u>	<u><u>\$ 483,226</u></u>	<u><u>\$ 441,266</u></u>	<u><u>\$ 407,322</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation - \$950,418

*Budgetary basis

TABLE 10

**CITY OF NEW BRITAIN, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limitation	\$ 950,418	\$ 943,008	\$ 873,411	\$ 876,477	\$ 876,477	\$ 860,587	\$ 839,153	\$ 763,280	\$ 796,372	\$ 764,726
Total net debt applicable to limit	<u>423,857</u>	<u>335,390</u>	<u>344,840</u>	<u>347,154</u>	<u>396,987</u>	<u>289,479</u>	<u>299,222</u>	<u>331,956</u>	<u>316,193</u>	<u>339,738</u>
Legal Debt Margin	<u>\$ 526,561</u>	<u>\$ 607,618</u>	<u>\$ 528,571</u>	<u>\$ 529,323</u>	<u>\$ 479,490</u>	<u>\$ 571,108</u>	<u>\$ 539,931</u>	<u>\$ 431,324</u>	<u>\$ 480,179</u>	<u>\$ 424,988</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>44.60%</u>	<u>35.57%</u>	<u>39.48%</u>	<u>39.61%</u>	<u>45.29%</u>	<u>33.64%</u>	<u>35.66%</u>	<u>43.49%</u>	<u>39.70%</u>	<u>44.43%</u>

Source: Comprehensive Annual Financial Reports - Schedule of Debt Limitation

Note: See Table 9 for calculation of current year debt limitation.

**CITY OF NEW BRITAIN, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	Personal Income (1)	Per Capita Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2021	72,767	\$ 3,383,592,733	\$ 46,499	33.8	9,681	10.90 %
2020	75,277	3,282,905,247	43,611	34.0	10,037	13.30
2019	72,876	3,049,423,344	41,844	34.0	10,133	5.20
2018	72,876	3,049,423,344	41,844	34.0	10,002	5.80
2017	72,983	2,952,875,516	40,457	34.0	10,065	6.80
2016	73,095	2,961,443,925	40,515	33.0	9,874	8.20
2015	73,122	2,917,421,556	39,898	33.0	10,017	7.70
2014	73,055	2,910,365,090	20,655	33.0	10,053	8.90
2013	74,348	3,108,564,228	20,601	42.0	10,324	11.30
2012	74,348	3,108,564,228	20,601	42.0	9,977	11.80

(1) Connecticut Economic Research Center, Inc. CERC Town Profile 2021

(2) Source: Consolidated School District of New Britain

(3) Source: CT Dept. of Labor

TABLE 12

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL EMPLOYERS
2021 AND 2012**

2021					2012				
Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment	Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment
Hospital of Central CT	Hospital	2,467	1	7.73%	Hospital of Central CT	Hospital	3,100	1	9.50%
City of New Britain	Municipality	2,239	2	7.02%	City of New Britain	Municipality	1,838	2	5.63%
Central CT State University	University	1,544	3	4.84%	Central CT State University	University	1,637	3	5.02%
Hospital for Special Care	Hospital	1,300	4	4.08%	The Hospital for Special Care	Hospital	1,135	4	3.48%
Stanley-Black & Decker	Manufacturing	600	5	1.88%	State of CT	Government	1,095	5	3.36%
Webster Bank	Banking	600	6	1.88%	Stanley-Black & Decker	Manufacturing	933	6	2.86%
Creed Monarch	Manufacturing	280	7	0.88%	Tilcon CT	Construction	735	7	2.25%
Guida's	Dairy	240	8	0.75%	Grove Hill Medical Center	Health Care	494	8	1.51%
Costco	Retail	235	9	0.74%	Dattco	Transportation	478	9	1.46%
B&F Machine	Manufacturing	230	10	0.72%	Webster Bank	Financial	375	10	1.15%
Total		9,735		30.52%			11,820		36.22%
Total Employment		31,898			Total Employment		31,654		

Source: City of New Britain, Economic Development

TABLE 13

CITY OF NEW BRITAIN, CONNECTICUT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration, financial and other	111	80	83	81	111	112	112	112	98	119
Police	173	184	186	192	187	182	182	182	157	162
Fire	133	131	124	129	131	132	132	132	137	152
Health and welfare	21	15	12	11	12	10	10	10	22	18
Parks and recreation	22	14	16	16	16	38	38	38	42	53
Public works, engineering, garage	98	96	99	93	62	43	43	43	50	62
Water	42	47	42	44	42	40	40	40	38	52
Education	<u>1,418</u>	<u>1,341</u>	<u>1,330</u>	<u>1,298</u>	<u>1,280</u>	<u>1,257</u>	<u>1,257</u>	<u>1,224</u>	<u>1,294</u>	<u>1,332</u>
Total	<u><u>2,018</u></u>	<u><u>1,908</u></u>	<u><u>1,892</u></u>	<u><u>1,864</u></u>	<u><u>1,841</u></u>	<u><u>1,814</u></u>	<u><u>1,814</u></u>	<u><u>1,781</u></u>	<u><u>1,838</u></u>	<u><u>1,950</u></u>

TABLE 14

**CITY OF NEW BRITAIN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Building permits issued	3,244	1,142	1,084	1,158	1,118	1,157	1,073	992	628	852
Building inspections conducted	1,604	1,088	1,003	1,102	1,033	918	857	1,026	1,131	1,804
Police:										
Calls for service	40,563	36,903	41,755	43,697	63,911	92,161	83,389	74,295	32,701	43,233
Physical arrests	3,801	4,062	4,788	5,396	4,622	5,117	5,542	4,341	4,230	5,307
Parking violations	3,907	5,669	6,497	7,818	7,438	8,437	12,626	12,915	16,963	13,197
Traffic violations	3,178	4,261	7,207	6,835	3,590	9,459	5,532	4,243	2,103	3,054
Fire:										
Emergency responses	6,220	6,724	7,381	6,600	5,611	5,874	6,350	6,047	6,542	6,286
Fires extinguished	170	124	129	105	138	129	463	404	241	280
Inspections	1,021	1,428	1,294	891	865	767	292	207	226	295
Refuse collection:										
Refuse collected (tons per day)	84	90	77	81	80	83	122	157	161	165
Recyclables collected (tons per day)	16	16	17	16	16	16	16	16	16	17
Other public works:										
Street resurfacing (miles)	8	8	2	9	5	6	10	10	9	8
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation:										
Athletic field permits issued	2,222	1,439	2,152	5,040	3,910	3,305	3,123	2,820	3,110	3,176
Community center admissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Library:										
Volumes in collection	208,767	226,676	237,312	238,017	246,117	249,104	242,255	234,883	230,497	225,581
Total volumes borrowed	211,415	211,205	284,872	297,888	308,175	334,763	261,727	361,682	405,206	408,167
Water:										
New connections	14	-	8	26	11	12	6		11	4
Water main breaks	30	17	30	25	35	26	35	13	20	9
Average daily consumption (thousands of gallons)	8,387	8,350	8,841	9,305	9,382	9,706	9,301	9,056	8,830	8,887
Peak daily consumption (thousands of gallons)	10,876	11,601	11,412	11,996	11,892	12,329	11,817	12,659	11,640	12,722
Wastewater:										
Average daily sewage treatment (thousands of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transit:										
Total route miles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Passengers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 15

CITY OF NEW BRITAIN, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	2	2	2	2	2	2
Patrol units	31	46	46	47	45	45	37	38	30	32
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	12	11	10	8	10	11	11	11	10	10
Other public works:										
Streets (miles)	193	193	193	193	185	185	185	185	185	163
Highways (miles)	33	33	33	33	15	15	15	15	N/A	N/A
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic signals	67	64	66	69	69	69	71	71	71	71
Parks and recreation:										
Acreage	793	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Playgrounds	8	8	8	8	8	8	8	8	8	8
Baseball/softball diamonds	16	15	15	15	15	15	15	15	15	15
Soccer/football fields	7	10	10	10	10	10	9	9	9	9
Water:										
Water mains (miles)	274	274	274	274	274	274	248	248	248	247
Fire hydrants	2,082	2,080	2,078	2,078	2,097	2,096	1,864	1,863	1,863	1,851
Storage capacity (thousands of gallons)	2,742,921	2,742,921	2,742,921	2,742,921	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800
Wastewater:										
Sanitary sewers (miles)	179	179	179	179	179	179	179	179	179	179
Storm sewers (miles)	154	154	154	154	154	154	154	154	154	153