

City of New Britain Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF NEW BRITAIN CONNECTICUT

FISCAL YEAR ENDED JUNE 30, 2018



Prepared by Finance Department

Lori Granato, Director of Finance

**CITY OF NEW BRITAIN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2018**

MAYOR

Erin E. Stewart

TREASURER

Ronald Jakubowski

CITY COUNCIL

Eva Magnuszewski, President ProTempore
Carlo Carlozzi, Jr., Majority Leader
Robert Smedley, Minority Leader
Richard Reyes, Assistant Majority Leader
Emmanuel Sanchez, Assistant Majority Leader
Kristian Rosado, Assistant Minority Leader
Brian Keith Albert
Aram Ayalon
Katie Breslin
Jamie Giantonio
Don Naples
Wilfredo Pabon
Daniel Salerno
Iris Sanchez
Francis Santiago

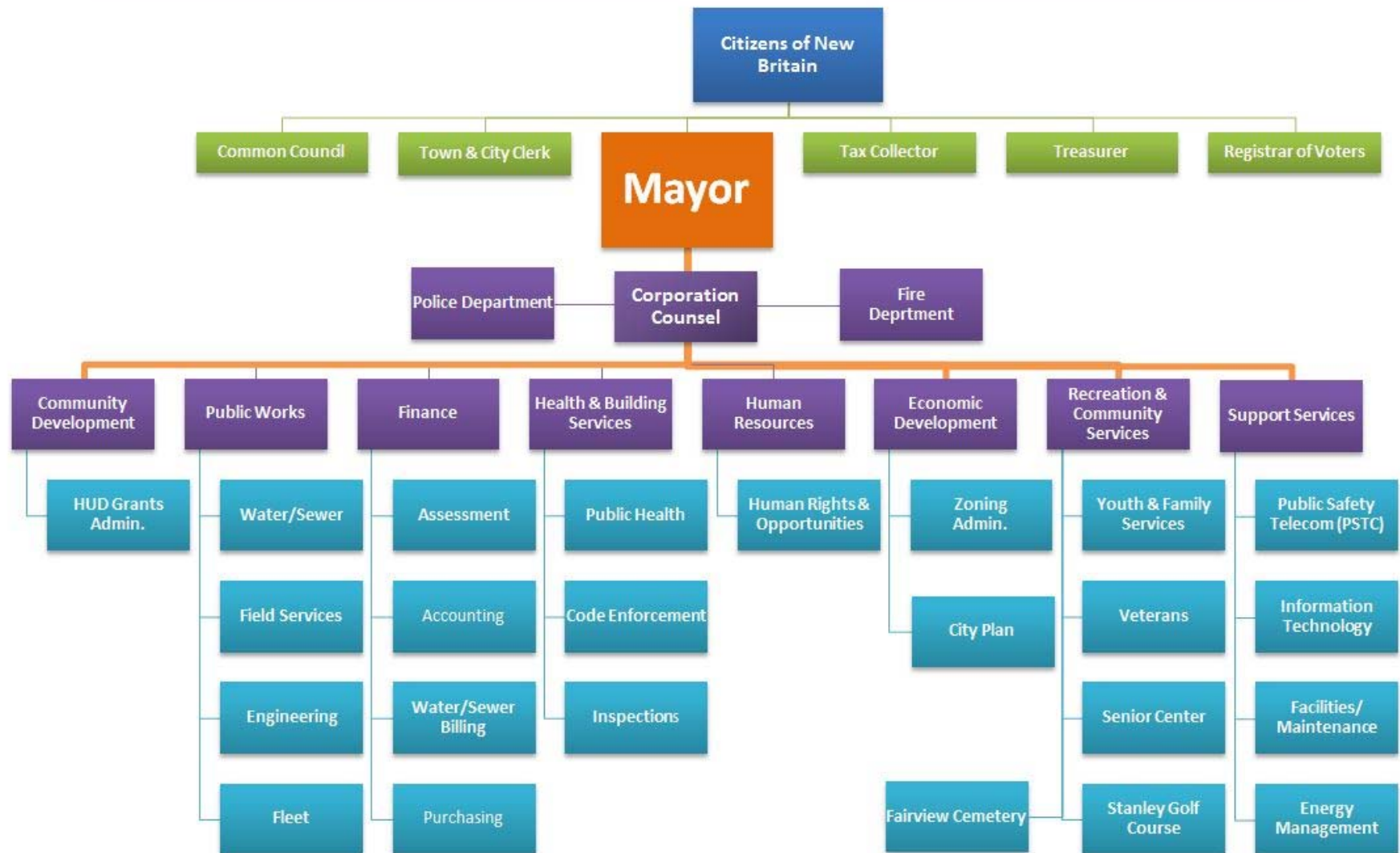
ADMINISTRATION

Corporation Counsel	Gennaro Bizzarro
Town Clerk	Mark Bernacki
Tax Collector	Cheryl Blogoslawski
Assessor	Michael Konik
Chief of Fire	Raul Ortiz
Chief of Police	James Wardwell
Director of Community Development	Kenneth Malinowski
Director of Economic Development	William Carroll
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

Nicole Rodriguez, President
Nicholas Mercier, Vice President
Cathy Cheney
Merrill Gay
Violet Jimenez Sims
Yvonne Muniz
Annie Parker
Nancy Rodriguez
Gayle Sanders-Connelly
James E. Sanders, Jr.
Nancy Sarra, Superintendent of Schools
Kevin Kane, Chief Financial Officer

City of New Britain Proposed Organization Chart



CITY OF NEW BRITAIN, CONNECTICUT



December 22, 2018

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 comprehensive annual financial report of the City of New Britain for the fiscal year ended June 30, 2018.

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 Blum Shapiro, 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, 2018 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, 2018, 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 CAFR.

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 covers 13.3 square miles and was first settled as part of the Town of Berlin in 1680. It was incorporated as a separate Town in 1850 and chartered as a City in 1871.

New Britain has access to Interstate 91, a major north-south highway, and Interstate 84, an east-west route connecting New England and New York via Routes 9 and 72, a limited access highway which runs through the City. Direct highway access to Hartford has been improved with the completion of the northern leg of the Central Connecticut Expressway (Route 9).

The New Britain Downtown District continues a multi-faceted program of streetscape improvements, coordinated management (maintenance and security) and marketing.

New Britain offers a variety of housing and is committed to neighborhood preservation. Walnut Hill, a National Historic District overlooking the heart of the City, features a 98-acre park, displaying some of America’s rarest 19th century architecture. Over the past decade, older homes in the community have been completely renovated by their owners using a variety of specialty loan and grant programs. In addition, New Britain offers more than 800 housing units to its senior citizens.

Stanley Black & Decker, a Fortune 500 company, has located its world headquarters facility at a site along Interstate 84. In addition, the City has benefited from the recent growth of many small businesses representing a variety of sectors. TD Bank, a national leader in the financial sector has recently located its corporate headquarters in downtown New Britain. Webster Bank has also recently located offices in the North West section of town. In recent years, a number of high tech aerospace manufacturers have also relocated to New Britain, including Polamer Precision, Addaero, and several others. An Energy and Innovation Park will construct a 19.8 megawatt fuel cell grid on the Stanley Black and Decker campus. This billion dollar privately funded project will provide approximately 3,000 jobs and generate tax revenue upwards of 45 million for the City throughout the next 20 years. Continued growth of City-based corporations will increase both employment and tax revenue.

New Britain is also home to the New Britain Bees beginning in April 2016 playing in a sports facility built to the standards established by the professional major leagues. It is home to the New Britain Museum of American Art (which recently underwent a 43,000 square foot, \$26 million renovation/expansion) and Central Connecticut State University with its schools of Education, Technology, and Business (which is the largest in the state).

The City offers ten major parks (A.W. Stanley, Stanley Quarter, Walnut Hill, Willow Brook, Osgood, Martha Hart, Washington, Chesley, Hungerford, and Willow Street). Stanley Quarter Park is New England’s largest public skate park with multi levels, two quarter pipes, stairs, grinding rails and pyramids. Some additional attractions offered in many of the City’s parks include: a children’s fishing pond, soccer fields, playgrounds, jogging tracks, playgrounds, and more.

Residents have a variety of medical facilities to call upon, including the 436- bed Hospital of Central Connecticut, the 200 bed Hospital for Special Care (formerly New Britain Memorial Hospital) for the chronically ill, and numerous modern clinics providing out-patient services. The University of Connecticut Health Center and Hospital is within three miles of the City line in the adjacent Town of Farmington.

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 Tax Review.

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 and quality of life for its residents. However, due to the demands of City residents, the current administration has continued to make grand list growth a primary goal. 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 4 of its downtown streetscape project which will make the downtown area more welcoming for pedestrians, cyclists, and motorists. The long-awaited \$579 million New Britain – Hartford Busway is a dedicated bus rapid transit roadway which opened in the spring of 2015. The busway connects New Britain and Hartford with stops at 11 stations along a 9.4 mile corridor bringing improved access and reduced commuting times for all commuters on I-84 west of Hartford.

In October 2017, ground breaking took place on Columbus Commons, a new, \$58 million housing development on Columbus Boulevard that will include two 5-story buildings, about 160 apartments, an interior courtyard and retail or office space on the ground floor. Several of our large manufacturers are expanding. In addition, the City continues to leverage transportation oriented development opportunities with state and federal government to improve its downtown area.

The City has continued its multi-year street paving program again this year paving many streets and crumbling sidewalks. This program will be continued for several more years.

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 \$57.8 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 \$278m 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, 2018, the City's net general obligation bonded debt of \$278 million was well below the legal limit of \$876 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 2018 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 Blum, Shapiro & Company, P.C. 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, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section

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, 2018, 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, 2018 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.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, during the fiscal year ended June 30, 2018, the City of New Britain, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the City of New Britain, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of New Britain, Connecticut, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 27, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2017 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2018 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 22, 2018

**CITY OF NEW BRITAIN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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, 2018. 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 increased as a result of this year's operations. The net position of the business-type activities increased \$191 thousand, and the net position of the governmental activities decreased by \$6.3 million.
- In its governmental activities, the City had revenues of \$332 million and expenses of \$327 million.
- In the City's business-type activities, revenues were \$10.8 million while expenses were \$9.2 million, thus increasing the net position before transfers of the business-type funds by \$1.6 million. The net position after transfers of the business-type funds increased by \$191 thousand.
- The General Fund reported a fund balance of \$26.4 million (\$9.2m assigned and \$17.2m unassigned).
- The tax collection rate for the current levy was 96.62%.

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 higher than it was one year ago, increasing from \$75 million to \$82 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	
	2018	2017, as Restated	2018	2017	2018	2017, as Restated
Current Assets	\$ 143,318	\$ 131,603	\$ 8,809	\$ 8,910	\$ 152,127	\$ 140,513
Capital assets:						
Capital assets not being depreciated	51,306	35,858	1,977	1,977	53,283	37,835
Capital assets being depreciated, net	302,119	306,267	50,243	51,722	352,362	357,989
Total assets	<u>496,743</u>	<u>473,728</u>	<u>61,029</u>	<u>62,609</u>	<u>557,772</u>	<u>536,337</u>
Deferred Outflows of Resources	<u>27,117</u>	<u>38,460</u>	<u>792</u>	<u>838</u>	<u>27,909</u>	<u>39,298</u>
Long-term debt outstanding	453,691	458,654	10,762	12,604	464,453	471,258
Other liabilities	36,421	28,820	208	183	36,629	29,003
Total liabilities	<u>490,112</u>	<u>487,474</u>	<u>10,970</u>	<u>12,787</u>	<u>501,082</u>	<u>500,261</u>
Deferred Inflows of Resources	<u>2,986</u>	<u>295</u>			<u>2,986</u>	<u>295</u>
Net Position:						
Net investment in capital assets	132,508	118,980	42,429	42,120	174,937	161,100
Restricted	3,466	3,392			3,466	3,392
Unrestricted (deficit)	<u>(105,212)</u>	<u>(97,953)</u>	<u>8,422</u>	<u>8,540</u>	<u>(96,790)</u>	<u>(89,413)</u>
Total Net Position	<u>\$ 30,762</u>	<u>\$ 24,419</u>	<u>\$ 50,851</u>	<u>\$ 50,660</u>	<u>\$ 81,613</u>	<u>\$ 75,079</u>

Net position of the City's governmental activities increased in FY18 by 3% (\$30.7 million compared to 24.4 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 \$(105) million at June 30, 2018.

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

- Other liabilities increased by \$7.6m due to an increase in payables
- Total assets increased mainly due to an increase in cash and equivalents, capital assets and receivables
- Deferred outflows related to pensions and the City's share in MERS decreased

TABLE 2
SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 22,064	\$ 22,787	\$ 10,816	\$ 11,915	\$ 32,880	\$ 34,702
Operating grants and contributions	159,712	117,079			159,712	117,079
Capital grants and contributions	7,063	3,484			7,063	3,484
General revenues:						
Property taxes	126,741	121,948			126,741	121,948
Grants and contributions not restricted to specific programs	15,130	18,200			15,130	18,200
Unrestricted investment earnings	1,508	2,244	4	3	1,512	2,247
Other general revenues	186	185			186	185
Total revenues	<u>332,404</u>	<u>285,927</u>	<u>10,820</u>	<u>11,918</u>	<u>343,224</u>	<u>297,845</u>
Program expenses:						
General government	7,405	10,235			7,405	10,235
Public safety	70,452	55,681			70,452	55,681
Public works	26,444	31,637			26,444	31,637
Health and welfare	6,485	5,953			6,485	5,953
Parks, recreation and libraries	2,115	12,624			2,115	12,624
Education	203,025	167,194			203,025	167,194
Interest on long-term debt	11,490	7,108			11,490	7,108
Water			9,274	10,450	9,274	10,450
Total program expenses	<u>327,416</u>	<u>290,432</u>	<u>9,274</u>	<u>10,450</u>	<u>336,690</u>	<u>300,882</u>
Increase (decrease) in net position before transfers	4,988	(4,505)	1,546	1,468	6,534	(3,037)
Transfers	1,355	1,317	(1,355)	(1,317)	-	-
Increase (decrease) in net position	6,343	(3,188)	191	151	6,534	(3,037)
Net position at beginning of year*	24,419	77,662	50,660	50,509	125,134	128,171
Restatement*		(50,055)				
Net Position at End of Year	<u>\$ 30,762</u>	<u>\$ 24,419</u>	<u>\$ 50,851</u>	<u>\$ 50,660</u>	<u>\$ 125,134</u>	<u>\$ 125,134</u>

*Prior year balances in Tables 1 and 2 were restated to reflect the net pension liability for the Elected Officials and Pre-72 Police and Fireman Plan as stated in Note 14.

The City's combined revenues were \$343 million. The total cost of all programs and services was \$338 million.

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

Governmental Activities

Revenues for governmental activities totaled \$333 million; property taxes (38.1%), operating grants (48%) and charges for services (6.7%) are the major revenue sources - contributing approximately 92.8% of the City's revenues.

Expenses for governmental activities were \$327 million, of which 56.8% were supported by program revenues and 43.2% were supported from general revenues. Expenses by function include education (61.8%), public safety (21.5%), public works (8%), and parks, recreation and libraries (.64%), which made up 92.24% 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 tax payers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Education	\$ 203,025	\$ 167,194	\$ 50,311	\$ 55,440
Public safety	70,452	55,681	64,979	49,894
Public works	26,444	31,637	6,105	14,924
General government	7,405	10,235	5,164	8,546
All others	20,090	25,685	12,018	19,278
Totals	<u>\$ 327,416</u>	<u>\$ 290,432</u>	<u>\$ 138,577</u>	<u>\$ 148,082</u>

Business-Type Activities

Revenues and expenses of the City's business-type activities amounted to \$10.8 million and \$9.3 million, respectively. Net position increased by \$191 thousand.

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 \$54.7 million, which is an increase from last year's total of \$57.5 million. The increase in the fund balance can be attributed to the elimination of bond anticipation notes.

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 \$8.5 million and those for the internal service funds amounted to \$10 m. The increase in unrestricted net position for the internal service funds was due to both lower claims cost resulting in an increase in cash and investments and a reduction in the IBNR.

General Fund Budgetary Highlights

- Tax collections remained high in line with previous years with a collection rate of 96.62%
- The General Fund received \$2.3m in bond/BAN premium
- \$9.6m in assigned fund balance (generated from prior years' surplus) was used in the FY18 budget

Capital Asset and Debt Administration

Capital Assets

At June 30, 2018, the City had \$406 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 increase (including additions and deductions) of \$9.8 million, or 2.5% above last year.

**TABLE 4
CAPITAL ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 13,417	\$ 13,417	\$ 1,977	\$ 1,977	\$ 15,394	\$ 15,394
Construction in progress	37,889	22,441			37,889	22,441
Buildings and improvements	213,520	220,635			213,520	220,635
Equipment	7,738	8,493			7,738	8,493
Vehicles	5,705	6,378			5,705	6,378
Infrastructure	75,156	70,761			75,156	70,761
Water filtration assets			50,243	51,722	50,243	51,722
Totals	<u>\$ 353,425</u>	<u>\$ 342,125</u>	<u>\$ 52,220</u>	<u>\$ 53,699</u>	<u>\$ 405,645</u>	<u>\$ 395,824</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, 2018, the City had \$283m in bonds and notes outstanding versus \$280m last year - an increase of 11% - as shown in Table 5.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds (backed by the City)	<u>\$ 282,854</u>	<u>\$ 277,989</u>	<u>\$ -</u>	<u>\$ 2,016</u>	<u>\$ 282,854</u>	<u>\$ 280,005</u>

The City's general obligation bond rating from Standard & Poor's, Moody's, and Fitch all national rating agencies, is A+, Baa1 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 \$876 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 2017 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 6.8% versus 8.2% a year ago. This compares with the State's unemployment rate of 5.1% and the national rate of 4.9%.

These indicators were taken into account when adopting the General Fund budget for 2018-19. Amounts available for appropriation in the General Fund were \$26.4 million, a decrease of 27% over the final 2017 amount of \$36.1 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.



Basic Financial Statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 67,114	\$ 3,976	\$ 71,090
Restricted cash	10,917		10,917
Investments	22,752	12	22,764
Receivables, net	42,225	4,623	46,848
Inventory	310	198	508
Capital assets:			
Capital assets not being depreciated	51,306	1,977	53,283
Capital assets being depreciated, net	302,119	50,243	352,362
Total assets	496,743	61,029	557,772
Deferred Outflows of Resources:			
Deferred charge on refunding	8,279	792	9,071
Changes related to pensions	18,773		18,773
Changes related to OPEB	65		65
Total deferred outflows of resources	27,117	792	27,909
Liabilities:			
Accounts and other payables	32,497	208	32,705
Unearned revenue	3,924		3,924
Noncurrent liabilities:			
Due within one year	17,081	1,922	19,003
Due in more than one year	436,610	8,840	445,450
Total liabilities	490,112	10,970	501,082
Deferred Inflows of Resources:			
Changes related to pensions	2,986		2,986
Net Position:			
Net investment in capital assets	132,508	42,429	174,937
Restricted for:			
Trust purposes:			
Expendable	3,466		3,466
Unrestricted	(105,212)	8,422	(96,790)
Total Net Position	\$ 30,762	\$ 50,851	\$ 81,613

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, 2018
(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	\$ 7,405	\$ 2,045	\$ 196	\$	\$ (5,164)	\$	\$ (5,164)
Public safety	70,452	3,471	363	1,639	(64,979)		(64,979)
Public works	26,444	13,204	1,711	5,424	(6,105)		(6,105)
Health and welfare	6,485	479	2,997		(3,009)		(3,009)
Parks, recreation and libraries	2,115	2,415	521		821		821
Education	203,025	450	152,264		(50,311)		(50,311)
Interest on long-term debt	11,490		1,660		(9,830)		(9,830)
Total governmental activities	327,416	22,064	159,712	7,063	(138,577)	-	(138,577)
Business-type activities:							
Water	9,274	10,816				1,542	1,542
Total	<u>\$ 336,690</u>	<u>\$ 32,880</u>	<u>\$ 159,712</u>	<u>\$ 7,063</u>	<u>(138,577)</u>	<u>1,542</u>	<u>(137,035)</u>
General revenues:							
Property taxes					126,741		126,741
Grants and contributions not restricted to specific programs					15,130		15,130
Unrestricted investment income					1,508	4	1,512
Miscellaneous					186		186
Total general revenues					<u>143,565</u>	<u>4</u>	<u>143,569</u>
Transfers					<u>1,355</u>	<u>(1,355)</u>	<u>-</u>
Change in Net Position					6,343	191	6,534
Net Position at Beginning of Year, as Restated					<u>24,419</u>	<u>50,660</u>	<u>75,079</u>
Net Position at End of Year					<u>\$ 30,762</u>	<u>\$ 50,851</u>	<u>\$ 81,613</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	<u>General</u>	<u>Capital Projects Fund</u>	<u>BOE State and Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 37,856	\$ 2,368	\$ 7,377	\$ 11,587	\$ 59,188
Restricted cash		10,917			10,917
Investments		4,234			4,234
Accounts receivables, net	24,422	2,000	1,953	13,845	42,220
Due from other funds	3,414				3,414
Inventories				310	310
Total Assets	<u>\$ 65,692</u>	<u>\$ 19,519</u>	<u>\$ 9,330</u>	<u>\$ 25,742</u>	<u>\$ 120,283</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 17,044	\$ 4,137	\$ 4,860	\$ 1,325	\$ 27,366
Due to other funds				3,414	3,414
Unearned revenue		1,892	2,022	10	3,924
Total liabilities	<u>17,044</u>	<u>6,029</u>	<u>6,882</u>	<u>4,749</u>	<u>34,704</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	22,201				22,201
Unavailable revenue - sewer use fees				4,262	4,262
Unavailable revenue - loans receivable				4,401	4,401
Total deferred inflows of resources	<u>22,201</u>	<u>-</u>	<u>-</u>	<u>8,663</u>	<u>30,864</u>
Fund balances:					
Nonspendable				3,466	3,466
Restricted		19,792	2,448	5,147	27,387
Committed		7,028		6,602	13,630
Assigned	9,208				9,208
Unassigned	17,239	(13,330)		(2,885)	1,024
Total fund balances	<u>26,447</u>	<u>13,490</u>	<u>2,448</u>	<u>12,330</u>	<u>54,715</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 65,692</u>	<u>\$ 19,519</u>	<u>\$ 9,330</u>	<u>\$ 25,742</u>	<u>\$ 120,283</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018
(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)	\$ 54,715
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 632,117	
Less accumulated depreciation	<u>(278,692)</u>	
Net capital assets		353,425

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	9,734
Interest receivable on property taxes	12,467
Housing loans receivable	4,401
Sewer receivable	4,262
Deferred outflows related to pensions	18,773
Deferred outflows related to OPEB	65

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

10,090

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	(282,854)
Clean water notes payable	(2,378)
Interest payable on bonds and notes	(3,667)
Prior service costs	(34)
Compensated absences	(7,072)
Net pension liability	(80,204)
Net OPEB liability	(51,133)
Deferred charges on refunding	8,279
Deferred discounts on refundings	425
Unamortized bond premium	(15,546)
Deferred inflows related to pensions	<u>(2,986)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 30,762</u>
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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, 2018
(In Thousands)

	<u>General</u>	<u>Capital Projects Fund</u>	<u>BOE State and Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 124,516	\$	\$	\$	\$ 124,516
Intergovernmental	122,247	5,453	38,221	14,291	180,212
Licenses, fees and charges for goods and services	9,277			12,349	21,626
Investment earnings	546	105		456	1,107
Miscellaneous	917	433		663	2,013
Total revenues	<u>257,503</u>	<u>5,991</u>	<u>38,221</u>	<u>27,759</u>	<u>329,474</u>
Expenditures:					
Current:					
General government	6,530			46	6,576
Public safety	40,920			666	41,586
Public works	12,561			10,774	23,335
Health and welfare	2,029			3,751	5,780
Education	157,147		37,214	7,588	201,949
Parks and recreation	7,249			2,656	9,905
Capital outlay		11,509			11,509
Debt and sundry	43,953	1,118			45,071
Total expenditures	<u>270,389</u>	<u>12,627</u>	<u>37,214</u>	<u>25,481</u>	<u>345,711</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(12,886)</u>	<u>(6,636)</u>	<u>1,007</u>	<u>2,278</u>	<u>(16,237)</u>
Other Financing Sources (Uses):					
Transfers in	3,269	1,400		68	4,737
Transfers out	(68)			(3,314)	(3,382)
Issuance of refunding bonds		91,645			91,645
Discount on refunding bonds		(425)			(425)
Payment to refund bond escrow agent		(79,149)			(79,149)
Total other financing sources (uses)	<u>3,201</u>	<u>13,471</u>	<u>-</u>	<u>(3,246)</u>	<u>13,426</u>
Net Change in Fund Balances	(9,685)	6,835	1,007	(968)	(2,811)
Fund Balances at Beginning of Year	<u>36,132</u>	<u>6,655</u>	<u>1,441</u>	<u>13,298</u>	<u>57,526</u>
Fund Balances at End of Year	<u>\$ 26,447</u>	<u>\$ 13,490</u>	<u>\$ 2,448</u>	<u>\$ 12,330</u>	<u>\$ 54,715</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, 2018
(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)	\$ (2,811)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay and other expenditures	22,990
Depreciation expense	(11,597)

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.	(93)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	1,192
Property tax interest and lien revenue - accrual basis change	1,033
Housing loans receivable	352
Sewer receivables	(53)
Change in deferred inflows related to pensions	(2,691)

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 bond refunding	(91,645)
Payment to bond escrow	79,149
Bond principal payments	11,865
Payments on clean water fund notes	349
Discounts on refundings	425

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	59
Change in prior service costs	7
Accrued interest	552
Amortization of deferred charge on refunding	(711)
Amortization of bond premium	2,369
Net OPEB expense	737
Net pension expense	2,266
Change in deferred outflows related to pensions	(14,931)
Change in deferred outflows related to OPEB	65

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.

	7,465
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Change in Net Position of Governmental Activities (Exhibit II)	\$ 6,343
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The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018
(In Thousands)

	<u>Business-Type Activities Water Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 3,976	\$ 7,926
Investments	12	18,518
Receivables:		
Other, net of allowance for uncollectible	4,623	5
Inventory	198	
Total current assets	<u>8,809</u>	<u>26,449</u>
Noncurrent assets:		
Capital assets, net	52,220	
Total assets	<u>61,029</u>	<u>26,449</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	<u>792</u>	
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	208	1,464
Compensated absences	88	
Current portion of bonds and notes payable	1,834	
Total current liabilities	<u>2,130</u>	<u>1,464</u>
Noncurrent liabilities:		
Bonds and notes payable	8,749	
Compensated absences	91	
Claim reserves		14,895
Total noncurrent liabilities	<u>8,840</u>	<u>14,895</u>
Total liabilities	<u>10,970</u>	<u>16,359</u>
Net Position:		
Net investment in capital assets	42,429	
Unrestricted	<u>8,422</u>	<u>10,090</u>
Total Net Position	<u><u>\$ 50,851</u></u>	<u><u>\$ 10,090</u></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, 2018
(In Thousands)

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
Operating Revenues:		
Charges for services and goods	\$ 10,816	\$
Charges to other funds		34,510
Other		2,019
Total operating revenues	<u>10,816</u>	<u>36,529</u>
Operating Expenses:		
Cost of sales, services and administration	7,370	
Administration and general expense		878
Depreciation expense	1,617	
Claims incurred		28,587
Total operating expenses	<u>8,987</u>	<u>29,465</u>
Operating Income	<u>1,829</u>	<u>7,064</u>
Nonoperating Revenues (Expenses):		
Income on investments	4	401
Interest expense	(287)	
Net nonoperating revenues (expenses)	<u>(283)</u>	<u>401</u>
Change in Net Position Before Transfers	1,546	7,465
Transfers:		
Transfers out	<u>1,355</u>	
Change in Net Position	191	7,465
Total Net Position at Beginning of Year	<u>50,660</u>	<u>2,625</u>
Total Net Position at End of Year	<u>\$ 50,851</u>	<u>\$ 10,090</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, 2018
(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	\$ 10,637	\$ 34,510
Cash received from customers		
Cash received from other operating activities		2,051
Cash paid for premiums and other operating expenses	(7,247)	(878)
Cash payments for claims made		(28,553)
Net cash provided by (used in) operating activities	<u>3,390</u>	<u>7,130</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to other funds	<u>(1,355)</u>	
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(138)	
Payment of loan obligation	(1,834)	
Interest paid on capital debt	(287)	
Net cash provided by (used in) capital financing activities	<u>(2,259)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	4	401
Actuarial claim reserve		(3,616)
Purchase of investments	(2)	(351)
Sale of investments		66
Net cash provided by (used in) investing activities	<u>2</u>	<u>(3,500)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(222)	3,630
Cash and Cash Equivalents at Beginning of Year	<u>4,198</u>	<u>4,296</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,976</u>	<u>\$ 7,926</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 1,829	\$ 7,064
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,617	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(225)	32
(Increase) decrease in other deferred asset	46	
(Increase) decrease in inventory	106	
Increase (decrease) in accounts payable and accrued expenses	17	34
Total adjustments	<u>1,561</u>	<u>66</u>
Net Cash Provided (Used in) by Operating Activities	<u>\$ 3,390</u>	<u>\$ 7,130</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, 2018
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 1,585	\$ 852
Investments, at fair value:		
Mutual funds	128,426	
U.S. securities	4,729	
Corporate bonds	7,094	
Mortgage-backed securities	5,389	
Accounts receivable	668	
Total Assets	147,891	\$ 852
Liabilities:		
Accounts payable	2	\$
Due to beneficiaries		852
Total Liabilities	2	\$ 852
Net Position:		
Restricted for Pension and Other Post Retirement Benefits	\$ 147,889	

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, 2018
(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 8,227
Employee	343
Total contributions	<u>8,570</u>
Investment income:	
Net change in fair value of investments	9,050
Interest and dividends	2,739
Total investment income	<u>11,789</u>
Total additions	<u>20,359</u>
Deductions:	
Benefits	19,555
Administration	54
Total deductions	<u>19,609</u>
Change in Net Position	750
Net Position at Beginning of Year	<u>147,139</u>
Net Position at End of Year	<u><u>\$ 147,889</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(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 2002. The Common Council, the legislative body, consists of fifteen (15) Aldermen elected biennially at large. Other elected officials include the City and Town Clerk, Collector of Taxes, Treasurer and three members of the Board of Tax Review.

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 has a Redevelopment Agency that operates as a function of the Commission on Community and Neighborhood Development (the Commission). The Commission is also charged with the responsibility of administering the City's Small Cities Programs.

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.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(amounts expressed in thousands)

Fund balance of the General Fund for fiscal year ended June 30, 2018 as reflected in BRRFOC's financial statements is \$1.4 million. 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 fifteen-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.

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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and 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.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(amounts expressed in thousands)

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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The 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 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

The Agency Funds account for funds held by the City on behalf of students and others.

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.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(amounts expressed in thousands)

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.

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.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(amounts expressed in thousands)

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.

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:

<u>Assets</u>	<u>Years</u>
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 deferred inflows related to pension in the government-wide statement of net position. A deferred inflow of resources related to pensions 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, 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 \$7,072. The City and Board of Education compensated absences is 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:

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."

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(amounts expressed in thousands)

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.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(amounts expressed in thousands)

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.

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 accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported are included in either restricted, committed or assigned fund balance depending on their level of restriction and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(amounts expressed in thousands)

B. Deficit Fund Equity

The following funds have a deficit fund balance/net position at June 30, 2018:

Nonmajor:	
Special Revenue Funds:	
Stanley Quarter Park	\$ 1,196
Cemetery	545
Police & Youth Grants	9
New Britain Marketing Collaborative	7
Exercise the Right Choice II	6
Immunization Action Plan	10
Bullet Proof Vest Grant	19
System of Care Grant	28
Public Safety	110
Centralized and Distribution Services	236
Federal Omnibus Appropriation	69
CT Health Foundation	1
Highway Safety	331
Assistance to CCSU Police Department	56
Public Works Grant	37
Fireworks fund	25
Redevelopment Commission	6
Brownfield Pilot	5
Business Outreach Center	52
Emergency Shelter Grant	39
EFSP Program	13
Neighborhood Stabilization Program	53
Camp Schade	10
Busway Bike Trails	22
Internal Service Funds:	
Workers' Compensation	1,783

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>
Fire	\$ 16,480	\$ 16,679	\$ (199)
Civil Preparedness		4	(4)
Pension and Benefit Contributions	19,599	19,656	(57)

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(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*, \$79,325 of the City's bank balance of \$81,325 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 71,192
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>8,133</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 79,325</u>

The City had no cash equivalents at June 30, 2018.

CITY OF NEW BRITAIN, CONNECTICUT
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Investments

As of June 30, 2018, the City had the following investments:

Investment Type	Credit Ratings	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Certificate of Deposit		\$ 10	\$ 10	\$	
U.S. Government Securities	Aaa	13,411		9,983	3,428
U.S. Government Backed Agencies	A1	4,780		1,552	3,228
U.S. Government Backed Agencies	Aaa	609	609		
Corporate Bonds	Aaa	1,630		1,550	80
Corporate Bonds	Aa1	158		158	
Corporate Bonds	Aa3	53		53	
Corporate Bonds	Baa1	1,068		608	460
Corporate Bonds	A3	1,501		1,477	24
Corporate Bonds	Baa2	396		396	
Corporate Bonds	Baa3	45			45
Corporate Bonds	Ba1	156		59	97
Corporate Bonds	Ba3	414		414	
Corporate Bonds	A1	476		212	264
Corporate Bonds	A1	508		508	
Corporate Bonds	Ba2	103		103	
Corporate Bonds	**	3,250		1,832	1,418
Total		28,568	\$ 619	\$ 18,905	\$ 9,044
Other investments:					
Mutual Funds		139,834			
Alternative Investments					
Total Investments		\$ 168,402			

** unavailable

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).

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The City has the following recurring fair value measurements as of June 30, 2018:

	June 30, 2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government Securities	\$ 13,411	\$ 4,730	\$ 8,681	\$
U.S. Government Backed Securities	5,389		5,389	
Corporate Bonds	9,758	2,664	7,094	
Mutual Funds	139,834	139,650	184	
Total investments by fair value level	168,392	\$ 147,044	\$ 21,348	\$ -
Investments not included above:				
Certificate of deposit	10			
Total Investments	\$ 168,402			

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, 2018, 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
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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	\$ 13,502	\$	\$	\$	\$	\$ 13,502
Taxes	14,518					14,518
Water					5,064	5,064
Accounts	1,332	2,000		9,017		12,349
Intergovernmental			1,953	1,658		3,611
Housing loans				3,843		3,843
Gross receivables	<u>29,352</u>	<u>2,000</u>	<u>1,953</u>	<u>14,518</u>	<u>5,064</u>	<u>52,887</u>
Less allowance for uncollectibles	<u>(4,930)</u>				<u>(441)</u>	<u>(5,371)</u>
Net Total Receivables	<u>\$ 24,422</u>	<u>\$ 2,000</u>	<u>\$ 1,953</u>	<u>\$ 14,518</u>	<u>\$ 4,623</u>	<u>\$ 47,516</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
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5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,417	\$	\$	\$ 13,417
Construction in progress	<u>22,441</u>	<u>20,477</u>	<u>5,029</u>	<u>37,889</u>
Total capital assets not being depreciated	<u>35,858</u>	<u>20,477</u>	<u>5,029</u>	<u>51,306</u>
Capital assets being depreciated:				
Land improvements	32,782	464		33,246
Buildings	348,751	10		348,761
Machinery and equipment	20,393	374	55	20,712
Vehicles	23,781	703	350	24,134
Infrastructure	<u>147,967</u>	<u>5,991</u>		<u>153,958</u>
Total capital assets being depreciated	<u>573,674</u>	<u>7,542</u>	<u>405</u>	<u>580,811</u>
Less accumulated depreciation for:				
Land improvements	17,729	1,190		18,919
Buildings	143,169	6,399		149,568
Machinery and equipment	11,900	1,099	25	12,974
Vehicles	17,403	1,313	287	18,429
Infrastructure	<u>77,206</u>	<u>1,596</u>		<u>78,802</u>
Total accumulated depreciation	<u>267,407</u>	<u>11,597</u>	<u>312</u>	<u>278,692</u>
Total capital assets being depreciated, net	<u>306,267</u>	<u>(4,055)</u>	<u>93</u>	<u>302,119</u>
Governmental Activities Capital Assets, Net	\$ <u>342,125</u>	\$ <u>16,422</u>	\$ <u>5,122</u>	\$ <u>353,425</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ <u>1,977</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>1,977</u>
Capital assets being depreciated:				
Source of supply	5,960			5,960
Pumping plant	2,826			2,826
Water treatment plant	2,862			2,862
Filter plant	57,307			57,307
Machinery and equipment	2,333	37		2,370
Transmission and distribution	11,488	101	23	11,566
General plant and administrative equipment	311			311
Total capital assets being depreciated	<u>83,087</u>	<u>138</u>	<u>23</u>	<u>83,202</u>
Less accumulated depreciation for:				
Source of supply	2,949	64		3,013
Pumping plant	1,933	41		1,974
Water treatment plant	791	101		892
Filter plant	14,638	1,147		15,785
Machinery and equipment	2,016	91		2,107
Transmission and distribution	8,843	167	23	8,987
General plant and administrative	195	6		201
Total accumulated depreciation	<u>31,365</u>	<u>1,617</u>	<u>23</u>	<u>32,959</u>
Total capital assets being depreciated, net	<u>51,722</u>	<u>(1,479)</u>	<u>-</u>	<u>50,243</u>
Business-Type Activities Capital Assets, Net	\$ <u>53,699</u>	\$ <u>(1,479)</u>	\$ <u>-</u>	\$ <u>52,220</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,269
Public safety	2,174
Public works	2,517
Health and social services	10
Parks and recreation	764
Education	<u>4,863</u>
Total Depreciation Expense - Governmental Activities	\$ <u>11,597</u>
Business-type activities:	
Enterprise Fund - Water Depreciation Expense	\$ <u>1,617</u>

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(amounts expressed in thousands)

Construction Commitments

The City has active construction projects as of June 30, 2018. The following is a summary of capital projects as of June 30, 2018:

Project	Project Authorization	Cumulative Expenditures	Remaining Commitment
Public buildings	\$ 40,027	\$ 39,383	\$ 644
Schools	120,104	70,033	50,071
Infrastructure	96,182	78,091	18,091
Parks and recreation	22,391	18,807	3,584
Other	242,452	180,054	62,398

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances. As of June 30, 2018, the nonmajor governmental funds had a payable to the General Fund for \$3,414.

Interfund transfers:

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Transfers Out
General Fund	\$	\$	\$ 68	\$ 68
Nonmajor Governmental Funds	1,914	1,400		3,314
Water Fund	1,355			1,355
Total Transfers In	\$ 3,269	\$ 1,400	\$ 68	\$ 4,737

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
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(amounts expressed in thousands)

7. LONG-TERM DEBT

A schedule of bond indebtedness as of June 30, 2018 is as follows:

	Interest Rate %	Original Issue	Date of Issue	Date of Maturity	Balance Outstanding
Consolidated School District:					
2006 Series	4.0 - 5.0	\$ 11,000	4/6/2006	4/15/2021	\$ 731
2007 Series	3.8 - 5.0	6,600	4/5/2007	4/15/2022	880
2008 Series A	2.8 - 5.0	1,750	4/1/2008	4/15/2022	346
2009 Series	3.0 - 4.5	3,975	3/25/2009	4/1/2024	1,058
2012 Series	2.0 - 4.0	3,136	3/15/2012	3/15/2027	135
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	6,143
2016 Series A Refunding	0.82 - 5.0	9,082	1/28/2016	3/1/2025	1,558
2017 Series A Refunding	5.0	2,006	3/1/2017	3/1/2022	1,902
2017 Series C	5.0	9,108	3/15/2017	3/15/2037	9,109
2018 Series Refunding	4.032-4.402	16,615	5/15/2018	3/1/2039	16,615
Subtotal		76,007			39,462
Public Improvement:					
2005 MERF Pension Bond	4.93	1,450	6/1/2005	6/5/2023	525
2006 Series	4.0 - 5.0	6,460	4/6/2006	4/15/2021	429
2007 Series	3.8 - 5.0	6,975	4/5/2007	4/15/2022	930
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
2009 Series	3.0 - 4.5	9,410	3/25/2009	4/1/2024	2,542
2010 Series B2	2.8 - 5.8	18,000	10/28/2010	10/1/2030	12,600
2010 Series B3	2.0 - 4.0	9,935	3/15/2012	3/15/2027	9,935
2012 Series	2.0 - 4.0	30,879	3/19/2013	3/15/2033	1,330
2013 Series	4.0 - 5.0	16,425	10/1/2014	3/1/2020	5,760
2015 Series A	0.82 - 5.0	19,065	1/28/2016	3/1/2025	11,787
2016 Series A Refunding	5.0	35,463	3/1/2017	3/1/2022	6,082
2017 Series A Refunding	1.9-3.2	7,034	3/1/2017	3/1/2025	6,668
2017 Series C	5.0	44,037	3/15/2017	3/23/2017	44,036
2018 Series Refunding	4.032-4.402	75,030	5/15/2018	3/1/2039	75,030
Subtotal		305,548			183,252
General Obligation Pension Bonds:					
1998 Series	5.70 - 6.54	66,000	2/1/1998	2/1/2021	14,085
General Obligation Pension Bonds:					
2015 Series A	1.901 - 4.034	56,000	4/15/2015	2/1/2026	46,055
Total Governmental Activities		\$ 503,555			\$ 282,854

CITY OF NEW BRITAIN, CONNECTICUT
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(amounts expressed in thousands)

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.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 277,989	\$ 91,645	\$ 86,780	\$ 282,854	\$ 14,735
Bond premiums	17,915		2,369	15,546	
Bond Discounts		(425)		(425)	
Total general obligation bonds	<u>295,904</u>	<u>91,220</u>	<u>89,149</u>	<u>297,975</u>	<u>14,735</u>
Notes Payable:					
Clean Water notes	2,727		349	2,378	349
Other liabilities:					
Net OPEB liability	51,870		737	51,133	
Compensated absences	7,131	227	286	7,072	1,997
Net pension liability	82,470		2,266	80,204	
MERS prior service costs	41		7	34	
Risk management	<u>18,511</u>		<u>3,616</u>	<u>14,895</u>	
Governmental Activities Long-Term Liabilities	<u>\$ 458,654</u>	<u>\$ 91,447</u>	<u>\$ 96,410</u>	<u>\$ 453,691</u>	<u>\$ 17,081</u>
Business-Type Activities:					
Bonds payable	\$ 2,016	\$	\$	\$ 2,016	\$
Notes payable:					
Clean Water notes	10,401		1,834	8,567	1,834
Compensated absences	<u>187</u>		<u>8</u>	<u>179</u>	<u>88</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 12,604</u>	<u>\$ -</u>	<u>\$ 1,842</u>	<u>\$ 10,762</u>	<u>\$ 1,922</u>

Liability for compensated absences and net pension liabilities will be funded through the General Fund and the Water Enterprise fund.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(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:

Catergory	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 281,725	\$ 208,766	\$ 72,959
Schools	563,450	105,965	457,485
Sewers	469,541	32,423	437,118
Urban renewal	406,936		406,936
Pension deficit	375,633		375,633

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$876,477).

The indebtedness above includes \$96,476 of authorized bonds that were unissued as of June 30, 2018.

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 \$83,184 Interim Funding Obligation (IFO) 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 39.18% of the District debt, which is reflected as overlapping debt. As of June 30, 2018, \$65,312 has been drawn upon and \$25,586 represents the City's share of the IFO as of that date.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(amounts expressed in thousands)

The maturities relating to all bonds and serial notes of the governmental activities of the City as of June 30, 2018 are as follows:

Year Ending June 30,	Principal General Obligation	Principal Clean Water Notes	Interest General Obligation	Interest Clean Water Notes	Total
2019	\$ 14,735	\$ 349	\$ 11,830	\$ 44	\$ 26,958
2020	15,435	349	12,126	37	27,947
2021	16,330	349	11,380	30	28,089
2022	12,465	349	10,616	24	23,454
2023	12,710	300	10,083	17	23,110
2024	13,360	222	9,523	12	23,117
2025	13,440	98	8,918	8	22,464
2026	12,330	98	8,304	6	20,738
2027	12,505	72	7,750	5	20,332
2028	13,070	35	7,186	4	20,295
2029	13,610	35	6,592	3	20,240
2030	14,120	35	5,970	2	20,127
2031	14,890	35	5,318	1	20,244
2032	14,439	35	4,672	1	19,147
2033	14,890	17	3,983		18,890
2034	14,935		3,332		18,267
2035	13,700		2,666		16,366
2036	12,925		2,058		14,983
2037	13,575		1,466		15,041
2038	10,040		843		10,883
2039	9,350		407		9,757
Total	\$ 282,854	\$ 2,378	\$ 135,023	\$ 194	\$ 420,449

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

(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, 2018 are as follows:

Year Ending June 30,	General Obligation Bonds	Principal Clean Water Notes	Interest General Obligation Bonds	Interest Clean Water Notes	Total
2019	\$ 1,834	\$	\$ 194	\$ 92	\$ 2,120
2020	1,834		147	92	2,073
2021	1,834		101	92	2,027
2022	1,465		56	92	1,613
2023	1,200		26	92	1,318
2024	400		2	92	494
2025				93	93
2026				93	93
2027				83	83
2028				74	74
2029				64	64
2030				55	55
2031				46	46
2032		421		36	457
2033		535		76	611
2034		530		50	580
2035		530		25	555
Total	\$ 8,567	\$ 2,016	\$ 526	\$ 1,247	\$ 12,356

Refunding Bonds Issue

On May 31, 2018, the City issued \$91,645 of general obligation refunding bonds with interest rates ranging from 4.032%-4.402%. The bonds were issued to partially refund \$74,915 of outstanding principal amounts of 2008A, 2008B, 2012, 2013, 2015A, 2016A, and totally refund outstanding principal amounts of 2010A, 2014A and 2017B general obligation bonds. Net proceeds of \$79,149 (after an original issue discount of \$425, \$1,150 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The refunding resulted in debt service savings amounting to \$59,076 and resulted in an economic loss (PV basis) of 5.3M.

Included in this refunding was a deposit of \$10,917 received and deposited for future interest costs to be paid over the next three years. This amount was recorded as restricted cash on the balance sheet until paid.

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As of June 30, 2018, the amount of defeased debt outstanding from the City's refundings was \$103,985 and the escrow balance was \$19,622. This amount is removed from the governmental activities column of the statement of net position.

8. RISK MANAGEMENT

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

- Property damage
- Auto liability
- Boiler and machinery exposures

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.

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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, 2018. 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 \$853 is reported in the internal service fund at June 30, 2018, 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 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, 2017 and June 30, 2018.

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The changes in the claim reserves for the fiscal years ended June 30, 2018 and 2017, are as follows:

	June 30, 2018			June 30, 2017		
	Medical	Workers' Compensation	General Accident Casualty and Liability	Medical	Workers' Compensation	General Accident Casualty and Liability
Beginning of year claim reserve	\$ 743	\$ 14,798	\$ 2,970	\$ 861	\$ 11,452	\$ 2,970
Current year incurred claims and changes in prior year estimate	12,071	(1,110)	82	11,590	6,341	152
Claim payments	(11,961)	(2,622)	(76)	(11,708)	(2,995)	(152)
End of Year Claim Reserve	\$ 853	\$ 11,066	\$ 2,976	\$ 743	\$ 14,798	\$ 2,970

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.

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

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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	214	173
Terminated employees entitled to benefits but not yet receiving them		3
Active plan members	<u>35</u>	<u>37</u>
Total	<u><u>249</u></u>	<u><u>213</u></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, 2018, these required contributions were \$2,035 and \$1,913 for the fire and police plans, respectively. Benefits and contributions are established by the City and may be amended only by the City Council and Union negotiation.

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, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
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	<u>3.50%</u>
Total	<u><u>100.00%</u></u>

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Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for both Fire and Police, was 8.05% and 10.00%, 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, 2018 were as follows:

	<u>Fire</u>	<u>Police</u>
Total pension liability	\$ 106,993	\$ 89,923
Plan fiduciary net position	<u>77,503</u>	<u>64,261</u>
Total Net Pension Liability	<u>\$ 29,490</u>	<u>\$ 25,662</u>
Plan fiduciary net position as a percentage of the total pension liability	72.44%	71.46%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2016, 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	3.75%	3.50%
Investment rate of return	7.50%	7.50%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012-June 30, 2015.

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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, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return
Core Fixed Income	2.65%
Short-Term Bonds	1.63%
Large Cap U.S. Equities	4.57%
Small Cap U.S. Equities	5.81%
Developed Foreign Equities	5.79%
Commodities	3.07%

Discount Rate

The discount rate used to measure the total pension liability was 6.87 and 7.17% for fire and police plans, respectively. 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.

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Changes in Pension Liability

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2017	\$ 87,921	\$ 64,854	\$ 23,067
Changes for the year:			
Service cost	561		561
Interest on total pension liability	6,359		6,359
Changes in assumptions	2,600		2,600
Employer contributions		1,419	(1,419)
Member contributions		151	(151)
Net investment income (loss)		5,379	(5,379)
Benefit payments, including refund to employee contributions	(7,518)	(7,518)	
Administrative expenses		(24)	24
Net changes	2,002	(593)	2,595
Balances as of June 30, 2018	\$ 89,923	\$ 64,261	\$ 25,662

Fire Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2017	\$ 101,213	\$ 77,100	\$ 24,113
Changes for the year:			
Service cost	550		550
Interest on total pension liability	7,361		7,361
Changes of assumptions	5,225		5,225
Employer contributions		1,459	(1,459)
Member contributions		192	(192)
Net investment income (loss)		6,132	(6,132)
Benefit payments, including refund to employee contributions	(7,356)	(7,356)	
Administrative expenses		(24)	24
Net changes	5,780	403	5,377
Balances as of June 30, 2018	\$ 106,993	\$ 77,503	\$ 29,490

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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 6.95% and 7.17% 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 (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Fire Net Pension Liability	\$ 40,263	\$ 29,490	\$ 20,312

Police Plan

	1% Decrease (6.17%)	Current Discount Rate (7.17%)	1% Increase (8.17%)
Police Net Pension Liability	\$ 34,439	\$ 25,662	\$ 18,177

Schedules of Plan Net Position

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Interfund Elimination	Total
Assets					
Cash and cash equivalents	\$ 391	\$	\$ 1,194	\$	\$ 1,585
Investments	76,995	64,380	4,263		145,638
Accounts receivable			668		668
Due from other funds	119			(119)	-
Total Assets	<u>\$ 77,505</u>	<u>\$ 64,380</u>	<u>\$ 6,125</u>	<u>\$ (119)</u>	<u>\$ 147,891</u>
Liabilities and Net Position					
Liabilities:					
Accounts payable	\$ 2	\$	\$	\$	\$ 2
Due to other funds		119		(119)	-
Total liabilities	<u>2</u>	<u>119</u>	<u>-</u>	<u>(119)</u>	<u>2</u>
Net Position Restricted for Pension Benefits	<u>77,503</u>	<u>64,261</u>	<u>6,125</u>		<u>147,889</u>
Total Liabilities and Net Position	<u>\$ 77,505</u>	<u>\$ 64,380</u>	<u>\$ 6,125</u>	<u>\$ (119)</u>	<u>\$ 147,891</u>

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	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 1,459	\$ 1,419	\$ 5,349	\$ 8,227
Employee	192	151		343
Total contributions	<u>1,651</u>	<u>1,570</u>	<u>5,349</u>	<u>8,570</u>
Investment income:				
Net appreciation fair value of investments	4,564	4,208	278	9,050
Interest and dividends	1,568	1,171		2,739
Total investment income	<u>6,132</u>	<u>5,379</u>	<u>278</u>	<u>11,789</u>
Total additions	<u>7,783</u>	<u>6,949</u>	<u>5,627</u>	<u>20,359</u>
Deductions:				
Benefits	7,356	7,518	4,681	19,555
Administration	24	24	6	54
Total deductions	<u>7,380</u>	<u>7,542</u>	<u>4,687</u>	<u>19,609</u>
Net Increase (Decrease)	403	(593)	940	750
Net Position at Beginning of Year	<u>77,100</u>	<u>64,854</u>	<u>5,185</u>	<u>147,139</u>
Net Position at End of Year	<u>\$ 77,503</u>	<u>\$ 64,261</u>	<u>\$ 6,125</u>	<u>\$ 147,889</u>

B. Municipal Employees' Retirement System

Plan Description

Substantially all City employees except for the certified employees of the Consolidated School District and the regular members of the Police and Fire Departments 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 active service, or 15 years of active non-continuous 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 under certain conditions.

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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.

If any member covered by social security retires before age 62, the member's benefit until the member reaches age 62, or a social security disability award is received, is computed as if the member is not under social security.

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 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.

Death Benefit

This applies to employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and reduced 50% joint and survivor allowance.

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.

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Pension Liabilities

At June 30, 2018, the City reports a liability of \$23,414 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. 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, 2018, the City's proportion was 9.43%. There was a .61% decrease in proportion for the year ended June 30, 2018.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 - June 30, 2012.

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%.

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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 target asset allocation and 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
Large Cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	.4%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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 discount rate of 8.00%, 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 (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 57,705	\$ 23,414	\$ -5,453

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Payable to MERS

In addition, the Town has also recorded \$34 as a long-term payable to MERS at June 30, 2018. This amount represents prior service costs calculated when the Town entered the plan, as such, the Town has restated beginning net position. The effect of the restatement was to decrease beginning net position and increase accounts payable to MERS as shown in Note 14.

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

For the year ended June 30, 2018, the City recognized pension expense for the following plans:

	Pension Expense
Police Pension Plan	\$ 5,849
Fire Pension Plan	9,658
MERS	<u>11,773</u>
Total	<u>\$ 27,280</u>

At June 30, 2018, 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 Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$	\$	\$ 4,001	\$ 4,001	\$ (1,975)
City contributions after the measurement date			8,345	8,345	
City's employer change in proportional share			698	698	(1,011)
Net difference between projected and actual earning on pension plan investments	<u>371</u>	<u>937</u>	<u>4,421</u>	<u>5,729</u>	
Total Deferred Outflows of Resources	<u>\$ 371</u>	<u>\$ 937</u>	<u>\$ 17,465</u>	<u>\$ 18,773</u>	<u>\$ (2,986)</u>

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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>
2018	\$ 1,041	\$ 1,273	\$ 10,524	\$ 12,838
2019	363	471	4,735	5,569
2020	(886)	(694)	1,797	217
2021	(147)	(113)	(2,577)	(2,837)

D. Teachers Retirement

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.

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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.

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, 2018, 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>240,213</u>
Total	\$	<u><u>240,213</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2018, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the City recognized pension expense and revenue of \$27,786 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, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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%.

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 target asset allocation and 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
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	100.0%	

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Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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 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.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

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.

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 10 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, 2018 these required contributions totaled \$285. 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.

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Changes in Total Pension Liability

The total pension liability as of June 30, 2018 was \$1,638. 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, 2017	\$ 1,884
Changes for the year:	
Interest on total pension liability	62
Effect of assumptions changes and inputs	(23)
Benefit payments, including refund to employee contributions	(285)
Balances as of June 30, 2018	\$ 1,638

Discount Rate

The discount rate used to measure the total pension liability was 3.87%. 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 3.87% 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 (2.87%) or 1 percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
EOPLAN Pension Liability	\$ 1,719	\$ 1,638	\$ 1,563

For the year ended June 30, 2018, the City recognized pension expense of \$39,492 (not rounded). There were no deferred inflows or deferred inflows related to this plan.

CITY OF NEW BRITAIN, CONNECTICUT
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F. Post Employment Benefits

Summary of Significant Accounting Policies

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.

Plan Description

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.

Management of the City's Other Post Employment Benefit Plan is vested with the collective members of the Common Council. At July 1, 2016, plan membership consisted of the following:

Active employees	1,448
Retirees	787
Beneficiaries and Spouses	<u>109</u>
Total	<u><u>2,344</u></u>

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Funding Policy

The City currently pays for post employment health care benefits on a pay-as-you-go basis. 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 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 per year for the cost of the retiree's benefits for three additional years (pre-65 only).

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.

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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.

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 8.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF NEW BRITAIN, CONNECTICUT
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Net OPEB Liability of the Town

The City's net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018, were as follows:

Total OPEB Liability	\$	57,258
Plan fiduciary net position		<u>6,125</u>
Net OPEB Liability	\$	<u><u>51,133</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		10.70%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	3.50%, average, including inflation
Discount rate	6.50%
Healthcare cost trend rates	Medical: 5.20% to 4.60% 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 RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - April 30, 2017.

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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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	45.00%	2.52%
U.S. Large Caps	40.00%	3.61%
U.S. Small Caps	5.00%	4.10%
Foreign Developed Equity	10.00%	4.20%
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.

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Changes in the Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2017	\$ 57,055	\$ 5,185	\$ 51,870
Changes for the year:			
Service cost	1,244		1,244
Interest on total OPEB liability	3,640		3,640
Employer contributions		5,349	(5,349)
Net investment income (loss)		278	(278)
Benefit payments	(4,681)	(4,681)	
Administrative expenses		(6)	6
Net changes	203	940	(737)
Balances as of June 30, 2018	\$ 57,258	\$ 6,125	\$ 51,133

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 (5.5%) or 1 percentage point higher (7.5%) than the current discount rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Total OPEB liability	\$ 56,843	\$ 51,133	\$ 46,224

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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 (4.20% decreasing to 2.0%) or 1 percentage point higher (6.20% decreasing to 4.0%) 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%)
Total OPEB liability	\$ 44,936	\$ 51,133	\$ 58,490

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

For the year ended June 30, 2018, the Town recognized OPEB expense of \$4,547. At June 30, 2018, the Town 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
Net difference between projected and actual earnings	\$ 65	\$ -
Total	\$ 65	\$ -

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

2019	\$ 16
2020	16
2021	16
2022	16

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 Supplemental 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 per month for a retired member plus an additional \$110 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 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 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 Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

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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 Supplemental Plans, as long as they do not remarry.

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.

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Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2018, the Town 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 Town 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 Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>61,828</u>
Total	<u>\$ 61,828</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$2,865 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 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 (0.04%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that 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. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 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

The Town'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 Town 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.

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10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 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	\$	\$	\$	\$ 310	\$ 310
Trust purposes				3,156	3,156
Restricted for:					
Grants			2,448	5,147	7,595
Capital improvements		19,792			19,792
Committed to:					
General government activities				216	216
Capital improvements		7,028			7,028
Public safety programs				121	121
Sewer maintenance				1,811	1,811
Social service programs				54	54
Recreational programs				329	329
Educational programs				4,071	4,071
Assigned to:					
State aid reductions	1,514				1,514
Tax Stabilization	4,529				4,529
Debt service	3,165				3,165
Unassigned	<u>17,239</u>	<u>(13,330)</u>		<u>(2,885)</u>	<u>1,024</u>
Total Fund Balances	\$ <u>26,447</u>	\$ <u>13,490</u>	\$ <u>2,448</u>	\$ <u>12,330</u>	\$ <u>54,715</u>

11. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

The following restatements were recorded to the beginning of year net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

Net position balance at June 30 2017, as previously reported	\$ 74,474
Adjustments:	
Eliminate net OPEB obligation reported per GASB No. 45	1,815
Record net OPEB liability per GASB No.75	<u>(51,870)</u>
Net Position Balance at July 1, 2017, as Restated	\$ <u>24,419</u>

12. 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, 2018 the City has seven agreements with vendors under this program. The amount of revenue reduced during the fiscal year for this abatement was \$534.

13. 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.



Required Supplementary Information

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, 2018
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
General property taxes	\$ 125,593	\$ 123,325	\$ 122,718	\$ (607)
Interest and liens	1,250	1,791	1,798	7
Total property taxes	<u>126,843</u>	<u>125,116</u>	<u>124,516</u>	<u>(600)</u>
Intergovernmental revenues (State):				
H.E.W. Private Schools	70	73	73	-
Special Education	3,500	2,351	2,351	-
Education Equalization	72,432	72,340	72,340	-
State Infraction Distribution	25	33	33	-
Interest Subsidy	481	839	839	-
DCA Tax Abatements	28			-
Town Aid Road Fund	817	767	767	-
Veterans Exemption Reimbursement	25	24	24	-
Tax Relief for the Elderly	400	11	11	-
State Property Tax Relief	3,276	2,996	2,996	-
Telephone Access Line Tax Relief	125	107	107	-
Municipal Video Competition Grant				-
Civil Defense	25	37	37	-
Off Track Betting	140	124	124	-
State Pilot Hospital Colleges	2,521	2,081	2,081	-
State Pilot Model Housing		104	104	-
Manufacturers in Distress	150			-
Bingo	1	1	1	-
Disability Exemption	7	7	7	-
MRSA- MV Property Tax Grant	3,119	3,005	3,005	-
MRSA - Revenue Sharing	3,043	3,043	3,043	-
Legalized Gaming Distribution	2,193	2,173	2,173	-
Municipal Revenue Sharing Grant		1,384	1,384	-
Total intergovernmental revenues	<u>92,378</u>	<u>91,500</u>	<u>91,500</u>	<u>-</u>
Licenses and permits:				
Building Structures and Equipment	864	965	965	-
All other license	8	8	8	-
Protection	62	68	68	-
Health	97	117	117	-
Disposal	182	8	8	-
Planning and Zoning	6	10	10	-
Total licenses and permits	<u>1,219</u>	<u>1,176</u>	<u>1,176</u>	<u>-</u>

(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, 2018
(In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Charges for services:				
Town Clerk	\$ 1,215	\$ 1,640	\$ 1,640	\$ -
Recreation	647	674	674	-
Public Safety	2,015	2,645	2,645	-
Parking tickets	1,316	1,250	1,250	-
Public Works - Project Management	100	202	202	-
Health and Welfare	26	28	28	-
Public Works	368	565	665	100
Parking tickets	432	453	453	-
Assessor				-
Senior Center	11	10	10	-
Water Overhead	263	263	263	-
Legal	54	53	53	-
Other	136	12	12	-
Total charges for services	<u>6,583</u>	<u>7,795</u>	<u>7,895</u>	<u>100</u>
Total licenses, permits and charges for services	<u>7,802</u>	<u>8,971</u>	<u>9,071</u>	<u>100</u>
Other revenue:				
Investment income	150	546	546	-
Miscellaneous	11,998	12,099	95	(12,004)
Sale of real estate property		37	37	-
BAN/Bond premiums			821	821
Total other revenue	<u>12,148</u>	<u>12,682</u>	<u>1,499</u>	<u>(11,183)</u>
Total revenues	239,171	238,269	226,586	(11,683)
Other Financing Sources:				
Transfers in	<u>2,367</u>	<u>3,269</u>	<u>3,269</u>	<u>-</u>
Total Budgeted Revenues and Transfers	<u>\$ 241,538</u>	<u>\$ 241,538</u>	229,855	<u>\$ (11,683)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension			27,786	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			2,865	
Net effect of revenues for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			<u>266</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 260,772</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, 2018
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Legislative	\$ 155	\$ 158	\$ 158	\$ -
Boards and Commissions	2			-
Judicial	115	117	117	-
Elections	424	362	362	-
Mayor's Office	671	628	628	-
Planning and Zoning	184	185	185	-
Finance	3,858	3,577	3,551	26
Recording and Reporting	544	539	539	-
Legal	822	976	976	-
Central Services	25	14	14	-
Total	<u>6,800</u>	<u>6,556</u>	<u>6,530</u>	<u>26</u>
Public Safety:				
Police	20,798	20,768	20,657	111
Fire	16,770	16,480	16,679	(199)
Lighting	900	954	954	-
Building	686	685	685	-
Civil Preparedness			4	(4)
Central Emergency Dispatch	2,160	1,841	1,841	-
Total	<u>41,314</u>	<u>40,728</u>	<u>40,820</u>	<u>(92)</u>
Public Works:				
Administration	433	409	409	-
Street Services	5,086	4,894	4,894	-
Public Buildings	2,605	2,687	2,687	-
Capital Project	724	727	727	-
Signals and Control	239	273	273	-
Waste Disposal	3,808	3,720	3,571	149
Total	<u>12,895</u>	<u>12,710</u>	<u>12,561</u>	<u>149</u>
Parks and Recreation:				
Administration	35	30	30	-
Forestry	164	165	165	-
Horticulture	225	241	241	-
Maintenance	2,023	1,899	1,899	-
Special Projects	4	4	4	-
Recreation Department	1,344	1,333	1,333	-
Willow Brook Sports Complex	142	106	106	-
City Supported Agencies	3,387	3,387	3,387	-
Cultural Organizations	85	84	84	-
Total	<u>7,409</u>	<u>7,249</u>	<u>7,249</u>	<u>-</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, 2018
(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	\$ 41	\$ 41	\$ -
Civil Service Commission	215	209	209	-
Nursing	343	306	306	-
Environmental Control	373	375	375	-
Administration	157	159	159	-
Social Services	5	5	5	-
Senior Center	544	527	527	-
Handicap Services	78	65	65	-
Total	<u>1,796</u>	<u>1,687</u>	<u>1,687</u>	<u>-</u>
General Administration:				
Pension and Benefit Contributions	18,824	19,599	19,656	(57)
Contingency	252	1,282		1,282
Total	<u>19,076</u>	<u>20,881</u>	<u>19,656</u>	<u>1,225</u>
Education	<u>126,673</u>	<u>126,357</u>	<u>126,357</u>	<u>-</u>
Debt Service	<u>25,145</u>	<u>24,996</u>	<u>24,297</u>	<u>699</u>
Total Expenditures	241,108	241,164	239,157	2,007
Other Financing Uses:				
Transfers Out:				
Dog Fund	<u>430</u>	<u>374</u>	<u>374</u>	<u>-</u>
Total	<u>\$ 241,538</u>	<u>\$ 241,538</u>	239,531	<u>\$ 2,007</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted - Pension	27,786
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted - OPEB	2,865
Net effect of expenditures for Dog Fund, Board of Education in Residence and YSB Funds not budgeted	<u>275</u>

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

\$ 270,457

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 561	\$ 520	\$ 684	\$ 636	\$ 868
Interest	6,359	6,258	6,293	6,295	5,996
Differences between expected and actual experience		1,928		4,846	
Changes of assumptions	2,600				
Benefit payments, including refunds of member contributions	<u>(7,518)</u>	<u>(7,281)</u>	<u>(7,184)</u>	<u>(6,945)</u>	<u>(8,010)</u>
Net change in total pension liability	2,002	1,425	(207)	4,832	(1,146)
Total pension liability - beginning	<u>87,921</u>	<u>86,496</u>	<u>86,703</u>	<u>81,871</u>	<u>83,017</u>
Total pension liability - ending	<u>89,923</u>	<u>87,921</u>	<u>86,496</u>	<u>86,703</u>	<u>81,871</u>
Plan fiduciary net position:					
Contributions - employer	1,419	994	1,350	1,059	1,058
Contributions - member	151	170	180	208	255
Net investment income (loss)	5,379	8,179	(1,213)	1,803	10,805
Benefit payments, including refunds of member contributions	<u>(7,518)</u>	<u>(7,281)</u>	<u>(7,184)</u>	<u>(6,945)</u>	<u>(6,666)</u>
Administrative expense	<u>(24)</u>	<u>(101)</u>	<u>(112)</u>	<u>(34)</u>	<u>(149)</u>
Net change in plan fiduciary net position	(593)	1,961	(6,979)	(3,909)	5,303
Plan fiduciary net position - beginning	<u>64,854</u>	<u>62,893</u>	<u>69,872</u>	<u>73,781</u>	<u>68,478</u>
Plan fiduciary net position - ending	<u>64,261</u>	<u>64,854</u>	<u>62,893</u>	<u>69,872</u>	<u>73,781</u>
Net Pension Liability - Ending	\$ <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	71.46%	73.76%	72.71%	80.59%	90.12%
Covered payroll	\$ 2,894	\$ 3,101	\$ 3,891	\$ 3,891	\$ 4,576
Net pension liability as a percentage of covered payroll	886.73%	743.94%	606.60%	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 FIVE FISCAL YEARS
FIRE
(In Thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 550	\$ 512	\$ 715	\$ 665	\$ 759
Interest	7,361	7,246	7,159	7,086	6,263
Differences between expected and actual experience		442		11,390	
Changes of assumptions	5,225				
Benefit payments, including refunds of member contributions	<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	5,780	2,143	909	12,456	(979)
Total pension liability - beginning	<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>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	1,459	1,238	888	531	532
Contributions - member	192	208	207	244	289
Net investment income (loss)	6,132	8,247	(84)	1,887	11,809
Benefit payments, including refunds of member contributions	<u>(7,356)</u>	<u>(6,056)</u>	<u>(6,965)</u>	<u>(6,685)</u>	<u>(6,430)</u>
Administrative expense	<u>(24)</u>	<u>(161)</u>	<u>(230)</u>	<u>(34)</u>	<u>(72)</u>
Net change in plan fiduciary net position	403	3,476	(6,184)	(4,057)	6,128
Plan fiduciary net position - beginning	<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>77,503</u>	<u>77,100</u>	<u>73,624</u>	<u>79,808</u>	<u>83,865</u>
Net Pension Liability - Ending	<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	72.44%	76.18%	74.32%	81.30%	97.85%
Covered-employee payroll	\$ 3,083	\$ 3,268	\$ 4,105	\$ 4,105	\$ 3,662
Net pension liability as a percentage of covered-employee payroll	956.54%	737.85%	619.88%	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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 85	\$ 743	\$ 743	\$ 1,054	\$ 1,054	\$ 1,594	\$ 1,594	\$ 1,413	\$ 1,413	\$ 1,913
Contributions in relation to the actuarially determined contribution	85	85	749	743	1,054	1,059	1,059	1,360	994	1,419
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 658</u>	<u>\$ (6)</u>	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ 535</u>	<u>\$ 53</u>	<u>\$ 419</u>	<u>\$ 494</u>
Covered-employee payroll	\$ N/A	\$ 5,829	\$ N/A	\$ 5,866	\$ N/A	\$ 4,576	\$ 3,891	\$ 3,891	\$ 3,101	\$ 3,101
Contributions as a percentage of covered-employee payroll	N/A	1.46%	N/A	12.67%	N/A	23.14%	27.22%	34.95%	32.06%	45.76%

Notes to Schedule

Valuation date: July 1, 2016
Measurement date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	19 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.75%
Investment rate of return	7.50%
Retirement age	Graded based on age
Mortality	RP-2000 Mortality Table with projection to 2019 per Scale AA, with blue collar adjustment, and separate tables for active employees and annuitants
N/A	Not Available

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 211	\$ 450	\$ 450	\$ 531	\$ 531	\$ 1,138	\$ 1,138	\$ 1,459	\$ 1,459	\$ 2,035
Contributions in relation to the actuarially determined contribution	<u>215</u>	<u>211</u>	<u>450</u>	<u>450</u>	<u>531</u>	<u>531</u>	<u>531</u>	<u>888</u>	<u>1,238</u>	<u>1,459</u>
Contribution Deficiency (Excess)	<u>\$ (4)</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ 607</u>	<u>\$ 571</u>	<u>\$ 221</u>	<u>\$ 576</u>
Covered-employee payroll	\$ N/A	\$ 4,971	\$ N/A	\$ 4,853	\$ N/A	\$ 3,662	\$ 4,105	\$ 4,105	\$ 3,268	\$ 3,268
Contributions as a percentage of covered-employee payroll	N/A	4.24%	N/A	9.27%	N/A	14.50%	12.94%	21.63%	37.88%	44.65%

Notes to Schedule

Valuation date: July 1, 2016
Measurement date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	19 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.50%
Retirement age	Graded based on age
Mortality	RP-2000 Mortality Table with projection to 2019 per Scale AA, with blue collar adjustment, and separate tables for active employees and annuitants
N/A	Not Available

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS - PENSION
LAST FIVE FISCAL YEARS**

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense:					
Police	10.00%	13.71%	-1.80%	2.71%	16.16%
Fire	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 FOUR FISCAL YEARS

	<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%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>240,213</u>	<u>253,427</u>	<u>191,636</u>	<u>177,129</u>
Total	<u>\$ 240,213</u>	<u>\$ 253,427</u>	<u>\$ 191,636</u>	<u>\$ 177,129</u>
City's covered payroll	\$ 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%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	61.51%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of 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, 2015. During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to 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, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

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
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS**

	2018	2017	2016	2015 as Restated
City's proportion of the net pension liability	10.04%	10.04%	10.24%	8.70%
City's proportionate share of the net pension liability	\$ 23,414	\$ 33,406	\$ 19,741	\$ 8,578
City's covered payroll	\$ 60,393	\$ 58,700	\$ 56,306	\$ 50,977
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.77%	56.91%	35.06%	16.83%
Plan fiduciary net position as a percentage of the total pension liability	91.68%	88.29%	92.72%	90.48%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to 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, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	5-year smoothed market

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 - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,376	\$ 3,341	\$ 4,344	\$ 4,916	\$ 4,886	\$ 5,113	\$ 5,989	\$ 6,949	\$ 7,266	\$ 8,345
Contributions in relation to the actuarially determined contribution	<u>3,376</u>	<u>3,341</u>	<u>4,344</u>	<u>4,916</u>	<u>4,886</u>	<u>5,113</u>	<u>5,989</u>	<u>6,949</u>	<u>7,266</u>	<u>8,345</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 46,446	\$ 46,947	\$ 49,448	\$ 49,978	\$ 48,559	\$ 40,296	\$ 50,977	\$ 56,306	\$ 58,700	\$ 60,393
Contributions as a percentage of covered employee payroll	7.27%	7.12%	8.78%	9.84%	10.06%	12.69%	11.75%	12.34%	12.38%	13.82%

Notes to Schedule

Valuation date: June 30, 2016

Measurement date: June 30, 2017

Actuarially determined contribution rates 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	27 years
Asset valuation method	5 years smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11%, including inflation
Investment rate of return	8%, net of investment related expense
Changes in assumptions	In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

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

	<u>2017</u>	<u>2018</u>
Total pension liability:		
Service cost	\$ 1,169	\$ 1,244
Interest	3,658	3,640
Benefit payments, including refunds of member contributions	<u>(5,643)</u>	<u>(4,681)</u>
Net change in total pension liability	(816)	203
Total pension liability - beginning	<u>57,871</u>	<u>57,055</u>
Total pension liability - ending	<u>57,055</u>	<u>57,258</u>
Plan fiduciary net position:		
Contributions - employer	6,143	5,349
Net investment income	353	278
Benefit payments, including refunds of member contributions	(5,643)	(4,681)
Administrative expense	<u>(4)</u>	<u>(6)</u>
Net change in plan fiduciary net position	849	940
Plan fiduciary net position - beginning	<u>4,336</u>	<u>5,185</u>
Plan fiduciary net position - ending	<u>5,185</u>	<u>6,125</u>
Net Pension Liability - Ending	<u>\$ 51,870</u>	<u>\$ 51,133</u>
Plan fiduciary net position as a percentage of the total pension liability	9.09%	10.70%
Covered-employee payroll	\$ 115,536	\$ 129,000
Net pension liability as a percentage of covered-employee payroll	44.90%	39.64%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,935	\$ 3,983	\$ 4,191	\$ 4,594	\$ 4,830	\$ 6,360	\$ 6,671	\$ 6,052	\$ 6,354	\$ 4,784
Contributions in relation to the actuarially determined contribution	<u>4,421</u>	<u>3,438</u>	<u>3,744</u>	<u>4,410</u>	<u>4,721</u>	<u>6,291</u>	<u>6,240</u>	<u>5,892</u>	<u>6,143</u>	<u>5,349</u>
Contribution Deficiency (Excess)	<u>\$ (486)</u>	<u>\$ 545</u>	<u>\$ 447</u>	<u>\$ 184</u>	<u>\$ 109</u>	<u>\$ 69</u>	<u>\$ 431</u>	<u>\$ 160</u>	<u>\$ 211</u>	<u>\$ (565)</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 104,482	\$ 115,536	\$ 129,000
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.64%	5.32%	4.15%

Notes to Schedule

Valuation date: July 1, 2016
Measurement date: June 30, 2018

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	4.00%

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

	2017	2018
Annual money-weighted rate of return, net of investment expense:	8.12%	5.36%

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 TWO FISCAL YEARS
ELECTED OFFICIALS AND PRE-1972 POLICE AND FIRE PLAN
(In Thousands)

	<u>2017</u>	<u>2018</u>
Total pension liability:		
Interest	\$ 58	\$ 62
Changes of assumptions	(71)	(23)
Benefit payments, including refunds of member contributions	<u>(279)</u>	<u>(285)</u>
Net change in total pension liability	(292)	(246)
Total pension liability - beginning	<u>2,176</u>	<u>1,884</u>
Total pension liability - ending	\$ <u><u>1,884</u></u>	\$ <u><u>1,638</u></u>
Covered payroll	\$ -	\$ -
Net pension liability as a percentage of covered-employee payroll	N/A	N/A

Notes to Schedules

Valuation date	June 30,2017
Measurement date	June 30,2018
Discount Rate	3.87%

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
ELECTED OFFICIALS AND PRE-1972 POLICE AND FIRE PLAN
(In Thousands)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ N/A	\$ N/A	\$ 597	\$ 543	\$ 532	\$ 465	\$ 366	\$ 105	\$ 311	\$ 285
Contributions in relation to the actuarially determined contribution	<u>N/A</u>	<u>N/A</u>	<u>597</u>	<u>543</u>	<u>532</u>	<u>465</u>	<u>366</u>	<u>105</u>	<u>311</u>	<u>285</u>
Contribution Deficiency	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 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-employee payroll	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: July 1, 2016
Measurement date: June 30, 2017

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	4.00%

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

	2018
Town's proportion of the net OPEB liability	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>61,828</u>
Total	<u>\$ 61,828</u>
Town's covered payroll	\$ 79,976
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	<p>The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.</p> <p>Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.</p> <p>As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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



Combining and Individual Fund Statements and Schedules



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
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017
(In Thousands)

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 37,856	\$ 47,568
Property taxes receivable, net of allowance for uncollectible accounts (\$3,895 for 2018 and \$3,895 for 2017)	10,623	8,390
Accounts receivable, net of allowance for uncollectible accounts (\$1,035 for 2018 and \$1,035 for 2017)	13,799	13,711
Due from other funds	<u>3,414</u>	<u>525</u>
Total Assets	\$ <u>65,692</u>	\$ <u>70,194</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 17,044	\$ 13,266
Unearned revenues	<u>820</u>	<u>820</u>
Total liabilities	<u>17,044</u>	<u>14,086</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>22,201</u>	<u>19,976</u>
Fund balance:		
Assigned	9,208	17,294
Unassigned	<u>17,239</u>	<u>18,838</u>
Total fund balance	<u>26,447</u>	<u>36,132</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>65,692</u>	\$ <u>70,194</u>

**CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)**

Grand List Year	Mill Rate	Uncollected Taxes July 1, 2017	Net Lawful		Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2018
			Additions	Deductions		Taxes	Interest and Lien Fees	Total	
2016		\$	\$ 123,770	* \$	\$ 123,770	\$ 119,586	\$ 701	\$ 120,287	\$ 4,184
2015	50.50	3,342	622		3,964	2,038	520	2,558	1,926
2014	49.00	1,779	285		2,064	669	329	998	1,395
2013	49.00	1,292	68	127	1,233	191	127	318	1,042
2012	44.12	1,018	98	230	886	113	93	206	773
2011	36.63	687	40	80	647	33	42	75	614
2010	36.63	589	35	70	554	16	33	49	538
2009	36.63	518	8	1	525	13	19	32	512
2008	34.98	495	4		499	14	32	46	485
2007	34.98	509	1		510	12	21	33	498
2006	45.89	600	3		603	7	17	24	596
2005	45.88	573	3	4	572	8	22	30	564
2004	45.89	501			501	6	18	24	495
2003	46.90	422	2		424	7	18	25	417
2002	46.93	486	1		487	8	29	37	479
2001	54.76	509		509	-			-	-
Total		\$ <u>13,320</u>	\$ <u>124,940</u>	\$ <u>1,021</u>	\$ <u>137,239</u>	\$ <u>122,721</u>	\$ <u>2,021</u>	124,742	\$ <u>14,518</u>

* Includes motor vehicle supplement

Property taxes receivable considered available:

June 30, 2017

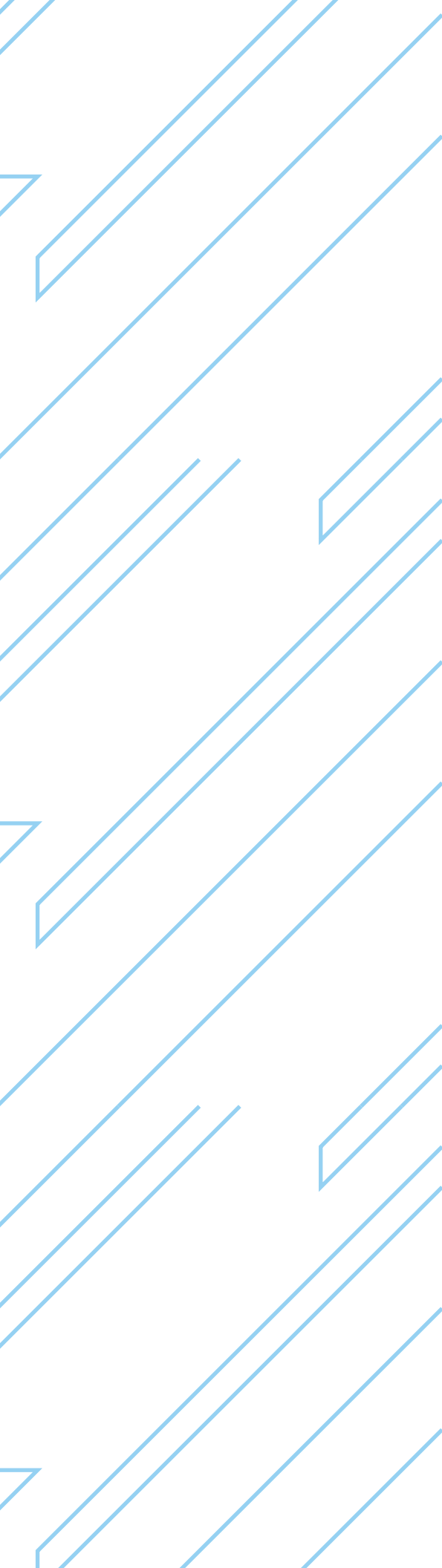
(883)

June 30, 2018

889

Total Collections

\$ 124,748



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

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds									
	Stanley Quarter Park	Park Security and Policing	Cemetery	Sewer Use	Police & Youth Grants	New Britain Marketing Collaborative	Local Capital Improvement	Retiree Plan Reimbursement	Lead Poisoning Prevention	American Savings Grant
ASSETS										
Cash and cash equivalents	\$	\$ 129	\$	\$ 50	\$	\$	\$	\$ 75	\$ 1	\$ 25
Accounts receivable				6,063						
Loans receivable										
Due from other governments							313			
Inventory										
Total Assets	\$ -	\$ 129	\$ -	\$ 6,113	\$ -	\$ -	\$ 313	\$ 75	\$ 1	\$ 25
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 113	\$ 19	\$ 18	\$ 40	\$	\$	\$ 201	\$	\$	\$ 9
Due to other funds	1,083		527		9	7	112			
Total liabilities	1,196	19	545	40	9	7	313	-	-	9
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable				4,262						
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	4,262	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted										
Committed		110		1,811				75	1	16
Unassigned	(1,196)		(545)		(9)	(7)				
Total fund balances	(1,196)	110	(545)	1,811	(9)	(7)	-	75	1	16
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 129	\$ -	\$ 6,113	\$ -	\$ -	\$ 313	\$ 75	\$ 1	\$ 25

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds								
	Police Explorers	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant
ASSETS									
Cash and cash equivalents	\$ 11	\$ 26	\$ 11	\$ 17	\$ 5	\$	\$	\$	
Accounts receivable									25
Loans receivable									
Due from other governments									
Inventory									
Total Assets	<u>\$ 11</u>	<u>\$ 26</u>	<u>\$ 11</u>	<u>\$ 17</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 7	\$ 3	\$	\$ 3	\$	\$ 3
Due to other funds						6	7	19	9
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>3</u>	<u>6</u>	<u>10</u>	<u>19</u>	<u>12</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		26		10	2				13
Committed	11		11						
Unassigned						(6)	(10)	(19)	
Total fund balances	<u>11</u>	<u>26</u>	<u>11</u>	<u>10</u>	<u>2</u>	<u>(6)</u>	<u>(10)</u>	<u>(19)</u>	<u>13</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11</u>	<u>\$ 26</u>	<u>\$ 11</u>	<u>\$ 17</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds									
	System of Care Grant	Historical Records Preservation	21st Century Grant	Property Management	Public Safety	Centralized and Distribution Services	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation
ASSETS										
Cash and cash equivalents	\$	\$ 161	\$ 32	\$ 5	\$	\$	\$ 4	\$ 114	\$	\$
Accounts receivable										
Loans receivable										
Due from other governments										
Inventory										
Total Assets	\$ -	\$ 161	\$ 32	\$ 5	\$ -	\$ -	\$ 4	\$ 114	\$ -	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$ 20	\$	\$	\$	\$	\$	\$	\$ 2	\$
Due to other funds	28				110	236			67	1
Total liabilities	28	20	-	-	110	236	-	-	69	1
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted			32	5				114		
Committed		141					4			
Unassigned	(28)				(110)	(236)			(69)	(1)
Total fund balances	(28)	141	32	5	(110)	(236)	4	114	(69)	(1)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 161	\$ 32	\$ 5	\$ -	\$ -	\$ 4	\$ 114	\$ -	\$ -

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds									
	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day
ASSETS										
Cash and cash equivalents	\$ 3	\$ 180	\$ 44	\$ 54	\$ 652	\$ 32	\$ 389	\$ 97	\$ 14	
Accounts receivable		1								
Loans receivable										
Due from other governments										
Inventory										
Total Assets	<u>\$ 3</u>	<u>\$ 181</u>	<u>\$ 44</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 652</u>	<u>\$ 32</u>	<u>\$ 389</u>	<u>\$ 97</u>	<u>\$ 14</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$ 1	\$	\$ 1	\$ 2	\$ 46	\$	\$	\$ 1	\$
Due to other funds					329					
Total liabilities	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>331</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>1</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>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted	3			53		606		389	96	
Committed		180	44				32			14
Unassigned					(331)					
Total fund balances	<u>3</u>	<u>180</u>	<u>44</u>	<u>53</u>	<u>(331)</u>	<u>606</u>	<u>32</u>	<u>389</u>	<u>96</u>	<u>14</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3</u>	<u>\$ 181</u>	<u>\$ 44</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 652</u>	<u>\$ 32</u>	<u>\$ 389</u>	<u>\$ 97</u>	<u>\$ 14</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds								
	Assistance to CCSU Police Department	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic
ASSETS									
Cash and cash equivalents	\$	\$ 23	\$	\$	\$	\$ 15	\$ 3,519	\$ 181	\$ 183
Accounts receivable			106	802			3	4	
Loans receivable									
Due from other governments							1,345		
Inventory							310		
Total Assets	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 106</u>	<u>\$ 802</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 5,177</u>	<u>\$ 185</u>	<u>\$ 183</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 268	\$	\$	\$ 3	\$	
Due to other funds	56		95	561	25				
Total liabilities	<u>56</u>	<u>-</u>	<u>95</u>	<u>839</u>	<u>25</u>	<u>-</u>	<u>3</u>	<u>-</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							310		
Restricted		23	11				1,345		
Committed						15	3,519	185	183
Unassigned	(56)			(37)	(25)				
Total fund balances	<u>(56)</u>	<u>23</u>	<u>11</u>	<u>(37)</u>	<u>(25)</u>	<u>15</u>	<u>5,174</u>	<u>185</u>	<u>183</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 106</u>	<u>\$ 802</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 5,177</u>	<u>\$ 185</u>	<u>\$ 183</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds									
	Adult Education	Summer School Music	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition
ASSETS										
Cash and cash equivalents	\$ 139	\$ 34	\$ 22	\$ 18	\$	\$ 689	\$ 640	\$ 289	\$ 47	\$ 98
Accounts receivable				12		664	101	559		
Loans receivable						1,126	2,648	69		
Due from other governments										
Inventory										
Total Assets	<u>\$ 139</u>	<u>\$ 34</u>	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,479</u>	<u>\$ 3,389</u>	<u>\$ 917</u>	<u>\$ 47</u>	<u>\$ 98</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$ 22	\$ 82	\$ 10	\$ 200	\$ 99	\$ 131	\$	
Due to other funds					29					
Total liabilities	<u>-</u>	<u>-</u>	<u>22</u>	<u>82</u>	<u>39</u>	<u>200</u>	<u>99</u>	<u>131</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable						1,126	2,658	617		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,126</u>	<u>2,658</u>	<u>617</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted						1,153	632	169	47	98
Committed	139	34								
Unassigned				(52)	(39)					
Total fund balances	<u>139</u>	<u>34</u>	<u>-</u>	<u>(52)</u>	<u>(39)</u>	<u>1,153</u>	<u>632</u>	<u>169</u>	<u>47</u>	<u>98</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 139</u>	<u>\$ 34</u>	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,479</u>	<u>\$ 3,389</u>	<u>\$ 917</u>	<u>\$ 47</u>	<u>\$ 98</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds									
	Redevelopment Commission	Brownfield Pilot	Rental	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
ASSETS										
Cash and cash equivalents	\$ 6	\$	\$ 47	\$	\$	\$ 315	\$ 1,332	\$ 1,571	\$ 13	\$ 253
Accounts receivable		4								
Loans receivable										
Due from other governments										
Inventory										
Total Assets	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315</u>	<u>\$ 1,332</u>	<u>\$ 1,571</u>	<u>\$ 13</u>	<u>\$ 253</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 12	\$	\$	\$	\$ 9	\$	\$	\$	\$	\$
Due to other funds		9		13	44					
Total liabilities	<u>12</u>	<u>9</u>	<u>-</u>	<u>13</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>-</u>
Fund Balances:										
Nonspendable							1,332	1,571		253
Restricted						315				
Committed			47						13	
Unassigned	(6)	(5)		(13)	(53)					
Total fund balances	<u>(6)</u>	<u>(5)</u>	<u>47</u>	<u>(13)</u>	<u>(53)</u>	<u>315</u>	<u>1,332</u>	<u>1,571</u>	<u>13</u>	<u>253</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315</u>	<u>\$ 1,332</u>	<u>\$ 1,571</u>	<u>\$ 13</u>	<u>\$ 253</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(In Thousands)

	Special Revenue Funds							Interfund Eliminations	Total Nonmajor Governmental Funds
	Arts Fund	America the Beautiful Forestry	Cops Hiring Grant	Camp Schade	Fire Grant	Cold Weather Shelter	Busway Bike Trails		
ASSETS									
Cash and cash equivalents	\$ 11	\$ 5	\$	\$	\$	6	\$	\$ 11,587	\$ 11,587
Accounts receivable								8,344	8,344
Loans receivable								3,843	3,843
Due from other governments								1,658	1,658
Inventory								310	310
Total Assets	\$ 11	\$ 5	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ 25,742	\$ 25,742
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	1,325	1,325
Due to other funds				10			22	3,414	3,414
Total liabilities	-	-	-	10	-	-	22	4,749	4,749
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable								4,262	4,262
Unavailable revenue - loans receivable								4,401	4,401
Total deferred inflows of resources	-	-	-	-	-	-	-	8,663	8,663
Fund Balances:									
Nonspendable								3,466	3,466
Restricted		5						5,147	5,147
Committed	11					6		6,602	6,602
Unassigned				(10)			(22)	(2,885)	(2,885)
Total fund balances	11	5	-	(10)	-	6	(22)	12,330	12,330
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11	\$ 5	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ 25,742	\$ 25,742

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)

	Special Revenue Funds									
	Stanley Quarter Park	Park Security and Policing	Cemetery	Sewer Use	Police & Youth Grants	New Britain Marketing Collaborative	Local Capital Improvement	Retiree Plan Reimbursement	Lead Poisoning Prevention	American Savings Grant
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	442	\$	\$	150
Investment earnings			74							
Licenses, fees and charges for goods and services	1,736	59	286	9,801						
Other revenues										
Total revenues	<u>1,736</u>	<u>59</u>	<u>360</u>	<u>9,801</u>	<u>-</u>	<u>-</u>	<u>442</u>	<u>-</u>	<u>-</u>	<u>150</u>
Expenditures:										
General government										
Public safety		51			3					
Public works				8,884			442			
Health and welfare			490							
Parks, recreation and libraries	1,741									150
Education										
Debt service										
Total expenditures	<u>1,741</u>	<u>51</u>	<u>490</u>	<u>8,884</u>	<u>3</u>	<u>-</u>	<u>442</u>	<u>-</u>	<u>-</u>	<u>150</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5)</u>	<u>8</u>	<u>(130)</u>	<u>917</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out	(1)		(12)	(2,401)						
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>(12)</u>	<u>(2,401)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(6)	8	(142)	(1,484)	(3)	-	-	-	-	-
Fund Balances at Beginning of Year	<u>(1,190)</u>	<u>102</u>	<u>(403)</u>	<u>3,295</u>	<u>(6)</u>	<u>(7)</u>	<u>-</u>	<u>75</u>	<u>1</u>	<u>16</u>
Fund Balances at End of Year	<u><u>\$ (1,196)</u></u>	<u><u>\$ 110</u></u>	<u><u>\$ (545)</u></u>	<u><u>\$ 1,811</u></u>	<u><u>\$ (9)</u></u>	<u><u>\$ (7)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 75</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 16</u></u>

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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, 2018
(In Thousands)

	Special Revenue Funds								
	Police Explorers	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant
Revenues:									
Intergovernmental revenue	\$	\$ 21	\$	\$ 162	\$ 161	\$ 25	\$ 111	\$	\$ 56
Investment earnings									
Licenses, fees and charges for goods and services									
Other revenues	13								
Total revenues	13	21	-	162	161	25	111	-	56
Expenditures:									
General government									
Public safety	4								
Public works									
Health and welfare		26					89		50
Parks, recreation and libraries				159	160	25			
Education									
Debt service									
Total expenditures	4	26	-	159	160	25	89	-	50
Excess (Deficiency) of Revenues over Expenditures	9	(5)	-	3	1	-	22	-	6
Other Financing Sources (Uses):									
Transfers in									
Transfers out									
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	9	(5)	-	3	1	-	22	-	6
Fund Balances at Beginning of Year	2	31	11	7	1	(6)	(32)	(19)	7
Fund Balances at End of Year	\$ 11	\$ 26	\$ 11	\$ 10	\$ 2	\$ (6)	\$ (10)	\$ (19)	\$ 13

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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, 2018
(In Thousands)

	Special Revenue Funds									
	System of Care Grant	Historical Records Preservation	21st Century Grant	Property Management	Public Safety	Centralized and Distribution Services	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation
Revenues:										
Intergovernmental revenue	\$	\$ 48	\$ 55	\$	\$	\$	\$	\$	\$	\$
Investment earnings										
Licenses, fees and charges for goods and services										
Other revenues										
Total revenues	-	48	55	-	-	-	-	-	-	-
Expenditures:										
General government		46								
Public safety									27	
Public works										
Health and welfare										
Parks, recreation and libraries			34							
Education										
Debt service										
Total expenditures	-	46	34	-	-	-	-	-	27	-
Excess (Deficiency) of Revenues over Expenditures	-	2	21	-	-	-	-	-	(27)	-
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	2	21	-	-	-	-	-	(27)	-
Fund Balances at Beginning of Year	(28)	139	11	5	(110)	(236)	4	114	(42)	(1)
Fund Balances at End of Year	<u>\$ (28)</u>	<u>\$ 141</u>	<u>\$ 32</u>	<u>\$ 5</u>	<u>\$ (110)</u>	<u>\$ (236)</u>	<u>\$ 4</u>	<u>\$ 114</u>	<u>\$ (69)</u>	<u>\$ (1)</u>

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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, 2018
(In Thousands)

	Special Revenue Funds									
	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day
Revenues:										
Intergovernmental revenue	\$ 15	\$	\$	86	186	140	\$	161	17	\$
Investment earnings										
Licenses, fees and charges for goods and services							4			
Other revenues		99	13							7
Total revenues	<u>15</u>	<u>99</u>	<u>13</u>	<u>86</u>	<u>186</u>	<u>140</u>	<u>4</u>	<u>161</u>	<u>17</u>	<u>7</u>
Expenditures:										
General government										
Public safety					184	378		19		
Public works										
Health and welfare	15			92					40	
Parks, recreation and libraries		59	8				4			5
Education										
Debt service										
Total expenditures	<u>15</u>	<u>59</u>	<u>8</u>	<u>92</u>	<u>184</u>	<u>378</u>	<u>4</u>	<u>19</u>	<u>40</u>	<u>5</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>40</u>	<u>5</u>	<u>(6)</u>	<u>2</u>	<u>(238)</u>	<u>-</u>	<u>142</u>	<u>(23)</u>	<u>2</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out								(900)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(900)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	40	5	(6)	2	(238)	-	(758)	(23)	2
Fund Balances at Beginning of Year	<u>3</u>	<u>140</u>	<u>39</u>	<u>59</u>	<u>(333)</u>	<u>844</u>	<u>32</u>	<u>1,147</u>	<u>119</u>	<u>12</u>
Fund Balances at End of Year	<u>\$ 3</u>	<u>\$ 180</u>	<u>\$ 44</u>	<u>\$ 53</u>	<u>\$ (331)</u>	<u>\$ 606</u>	<u>\$ 32</u>	<u>\$ 389</u>	<u>\$ 96</u>	<u>\$ 14</u>

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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, 2018
(In Thousands)

	Special Revenue Funds								
	Assistance to CCSU Police Department	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic
Revenues:									
Intergovernmental revenue	\$	\$	\$ 371	\$ 1,189	\$	\$	\$ 8,476	\$	\$
Investment earnings									
Licenses, fees and charges for goods and services						9	264	58	111
Other revenues						9			
Total revenues	-	-	371	1,189	-	9	8,740	58	111
Expenditures:									
General government									
Public safety									
Public works			344	1,104					
Health and welfare									
Parks, recreation and libraries					68				
Education						7	7,455	3	115
Debt service									
Total expenditures	-	-	344	1,104	68	7	7,455	3	115
Excess (Deficiency) of Revenues over Expenditures	-	-	27	85	(68)	2	1,285	55	(4)
Other Financing Sources (Uses):									
Transfers in					68				
Transfers out									
Total other financing sources (uses)	-	-	-	-	68	-	-	-	-
Net Change in Fund Balances	-	-	27	85	-	2	1,285	55	(4)
Fund Balances at Beginning of Year	(56)	23	(16)	(122)	(25)	13	3,889	130	187
Fund Balances at End of Year	\$ (56)	\$ 23	\$ 11	\$ (37)	\$ (25)	\$ 15	\$ 5,174	\$ 185	\$ 183

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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, 2018
(In Thousands)

	Special Revenue Funds									CHFA
	Adult Education	Summer School Music	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	Broad Street Demolition
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	1,307	\$ 648	\$ 456	\$	\$
Investment earnings							1			
Licenses, fees and charges for goods and services	12	5				13				
Other revenues						173	239	61		
Total revenues	<u>12</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,493</u>	<u>888</u>	<u>517</u>	<u>-</u>	<u>-</u>
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare						1,784	453	662		
Parks, recreation and libraries										
Education	7	1								
Debt service										
Total expenditures	<u>7</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784</u>	<u>453</u>	<u>662</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(291)</u>	<u>435</u>	<u>(145)</u>	<u>-</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>	<u>-</u>
Net Change in Fund Balances	5	4	-	-	-	(291)	435	(145)	-	-
Fund Balances at Beginning of Year	134	30	-	(52)	(39)	1,444	197	314	47	98
Fund Balances at End of Year	<u>\$ 139</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ (39)</u>	<u>\$ 1,153</u>	<u>\$ 632</u>	<u>\$ 169</u>	<u>\$ 47</u>	<u>\$ 98</u>

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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, 2018
(In Thousands)

	Special Revenue Funds									
	Redevelopment Commission	Brownfield Pilot	Rental	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
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Investment earnings						27	176	153		25
Licenses, fees and charges for goods and services										
Other revenues										
Total revenues	-	-	-	-	-	27	176	153	-	25
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare										
Parks, recreation and libraries						14	115	91		17
Education										
Debt service										
Total expenditures	-	-	-	-	-	14	115	91	-	17
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	13	61	62	-	8
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-	13	61	62	-	8
Fund Balances at Beginning of Year	(6)	(5)	47	(13)	(53)	302	1,271	1,509	13	245
Fund Balances at End of Year	<u>(6)</u>	<u>(5)</u>	<u>47</u>	<u>(13)</u>	<u>(53)</u>	<u>315</u>	<u>1,332</u>	<u>1,571</u>	<u>13</u>	<u>253</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, 2018
(In Thousands)

	Special Revenue Funds							Interfund Eliminations	Total Nonmajor Governmental Funds
	Arts Fund	America the Beautiful Forestry	Cops Hiring Grant	Camp Schade	Fire Grant	Cold Weather Shelter	Busway Bike Trails		
Revenues:									
Intergovernmental revenue	\$	\$ 8	\$	\$	\$	\$	\$	\$ 14,291	\$ 14,291
Investment earnings								456	456
Licenses, fees and charges for goods and services								12,349	12,349
Other revenues					49			663	663
Total revenues	-	8	-	-	49	-	-	27,759	27,759
Expenditures:									
General government								46	46
Public safety								666	666
Public works								10,774	10,774
Health and welfare					50			3,751	3,751
Parks, recreation and libraries		5					1	2,656	2,656
Education								7,588	7,588
Debt service								-	-
Total expenditures	-	5	-	-	50	-	1	25,481	25,481
Excess (Deficiency) of Revenues over Expenditures	-	3	-	-	(1)	-	(1)	2,278	2,278
Other Financing Sources (Uses):									
Transfers in								68	68
Transfers out								(3,314)	(3,314)
Total other financing sources (uses)	-	-	-	-	-	-	-	(3,246)	(3,246)
Net Change in Fund Balances	-	3	-	-	(1)	-	(1)	(968)	(968)
Fund Balances at Beginning of Year	11	2	-	(10)	1	6	(21)	13,298	13,298
Fund Balances at End of Year	\$ 11	\$ 5	\$ -	\$ (10)	\$ -	\$ 6	\$ (22)	\$ 12,330	\$ 12,330



Capital Projects Fund

CAPITAL PROJECTS FUND

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 and trust funds.

Revenues to the Capital Projects Fund consist of the proceeds of long and short-term debt, grants, and transfers from operating funds and the Capital and Nonrecurring Expenditure Fund.

Appropriations are made on a project life basis by the City Council in the form of resolutions or bond ordinances.

The schedule on the following pages displays for each project:

1. The original appropriation as amended.
2. Expenditures for the current fiscal year.
3. Expenditures for all fiscal years.
4. Outstanding encumbrances.
5. The project balance at fiscal year end.

For management reporting purposes, projects are classified into functional areas.

If projects are completed with remaining funded balances, the unexpended balance is transferred to the Capital Reserve Account of the Capital and Nonrecurring Expenditure Fund. The reserve is then used as a source of funding for future projects.

CITY OF NEW BRITAIN, CONNECTICUT

CAPITAL PROJECTS FUND

SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2018

(In Thousands)

Project Description	Amended Budget	Current Year Expenditures and Transfers	Cumulative Expenditures	Available Budget
Capital Equipment Reserve #004	\$ 30,820	\$ 602	\$ 23,116	\$ 7,704
Capital and Nonrecurring #003	17,283	32	17,142	141
Subway #005		7	1,343	(1,343)
Sewer Capital Projects	3,510	588	588	2,922
New Britain High School	16,595		16,515	80
Diloretto School Renovation	10,000	(3,309)	9,698	302
Gaffney School Renovation	30,000	692	28,147	1,853
Various BOE Projects	9,935		9,275	660
School Security Upgrade	573		550	23
Smalley Academy Renovations	53,000	3,161	4,009	48,991
Badolato & Szczesny Garage Repairs	6,775	23	5,923	852
Technology Bond	3,180	463	2,536	644
Storm Water System Improvements	4,750	16	4,094	656
Environmental Remediation	8,150		8,151	(1)
Street Infrastructure	33,293	2,541	30,764	2,529
Transfer Station Rehab	2,378		1,724	654
Broad Street Reconstruction	13,300	248	12,591	709
Fafnir Smart Park Expansion	3,250		2,864	386
Willow Street Project			5,478	(5,478)
Bridge Program	2,425	4	1,086	1,339
Pinnacle Heights	7,946		7,856	90
Sewer I&I Improvements	17,775		14,921	2,854
Beaver St Reconstruction	1,000		764	236
New Police Station	38,850	2	38,418	432
2011 Revaluation	500		456	44
Fairview Cemetery Fence	275		228	47
AW Stanley Pool	5,300	2,040	2,838	2,462
Stanley Golf Course Irrigation	2,000		1,970	30
Telecommunications	5,750		5,500	250
City Wide Facilities PW	1,177	101	965	212
Willow Brook Park Improvements	3,329	22	3,250	79
City Wide Park ADA Improvements	875	43	873	2
City Wide Park Improvements	990	2	902	88
Beehive Stadium Improvements	1,495	4	1,355	140
Chesley Park Improvements	2,075		1,820	255
Chesley Pool	102		95	7
Washington Park Pool	100		95	5
Telecommunications	1,400	20	329	1,071
Streetscape Improvements	12,958	3,297	10,088	2,870
Arch Street Improvements	1,200	296	299	901
Broad Street Reconstruction Phase 2	4,350	915	4,035	315
Elam Street Water Tank	5,395	(322)	3,081	2,314
NB Stadium Renovations	795	21	696	99
Water Projects and Improvements	1,283			1,283
EMS Ambulances	400		353	47
Total	\$ 366,537	\$ 11,509	\$ 286,781	\$ 79,756



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, 2018
(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	\$ 5,534	\$ 915	\$	\$ 1,477	\$	\$ 7,926
Investments			16,099	2,419		18,518
Due from other funds	6,809				(6,809)	-
Accounts receivable		5				5
Total Assets	<u>\$ 12,343</u>	<u>\$ 920</u>	<u>\$ 16,099</u>	<u>\$ 3,896</u>	<u>\$ (6,809)</u>	<u>\$ 26,449</u>
LIABILITIES AND NET POSITION						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,407	\$ 50	\$ 7	\$	\$	\$ 1,464
Due to other funds			6,809		(6,809)	-
Claim reserves		853	11,066	2,976		14,895
Total liabilities	1,407	903	17,882	2,976	(6,809)	16,359
Net Position	<u>10,936</u>	<u>17</u>	<u>(1,783)</u>	<u>920</u>		<u>10,090</u>
Total Liabilities and Net Position	<u>\$ 12,343</u>	<u>\$ 920</u>	<u>\$ 16,099</u>	<u>\$ 3,896</u>	<u>\$ (6,809)</u>	<u>\$ 26,449</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, 2018
(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Total
Operating Revenues:					
Charges to other funds	\$ 18,120	\$ 15,694	\$ 696	\$	\$ 34,510
Other revenues		1,936		83	2,019
Total operating revenues	<u>18,120</u>	<u>17,630</u>	<u>696</u>	<u>83</u>	<u>36,529</u>
Operating Expenses:					
Claims incurred	17,544	12,071	(1,110)	82	28,587
Administrative costs		652	205	21	878
Total operating expenses	<u>17,544</u>	<u>12,723</u>	<u>(905)</u>	<u>103</u>	<u>29,465</u>
Operating Income (Loss)	576	4,907	1,601	(20)	7,064
Nonoperating Revenues (Expenses):					
Interest and dividends			(287)	688	401
Income Before Transfers	<u>576</u>	<u>4,907</u>	<u>1,314</u>	<u>668</u>	<u>7,465</u>
Change in Net Position	576	4,907	1,314	668	7,465
Net Position at Beginning of Year	<u>10,360</u>	<u>(4,890)</u>	<u>(3,097)</u>	<u>252</u>	<u>2,625</u>
Net Position at End of Year	<u>\$ 10,936</u>	<u>\$ 17</u>	<u>\$ (1,783)</u>	<u>\$ 920</u>	<u>\$ 10,090</u>

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)

	<u>Special Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Cash received from charges to other funds	\$ 18,120	\$ 15,694	\$ 696	\$	\$ 34,510
Cash received from other operating activities		1,968		83	2,051
Cash paid for premiums and other operating expenses		(652)	(205)	(21)	(878)
Cash payments for claims made	(17,521)	(12,060)	1,110	(82)	(28,553)
Net cash provided by (used in) operating activities	<u>599</u>	<u>4,950</u>	<u>1,601</u>	<u>(20)</u>	<u>7,130</u>
Cash Flows from Noncapital Financing Activities:					
Cash received from other funds	8,185		6,809		14,994
Cash paid to other funds	(6,809)	(4,145)	(4,040)		(14,994)
Net cash provided by (used in) noncapital financing activities	<u>1,376</u>	<u>(4,145)</u>	<u>2,769</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest income			(287)	688	401
Actuarial claims reserve		110	(3,732)	6	(3,616)
Purchase of investments			(351)		(351)
Sale of investments				66	66
Net cash provided by (used in) investing activities	<u>-</u>	<u>110</u>	<u>(4,370)</u>	<u>760</u>	<u>(3,500)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,975	915	-	740	3,630
Cash and Cash Equivalents at Beginning of Year	<u>3,559</u>	<u>-</u>	<u>-</u>	<u>737</u>	<u>4,296</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,534</u>	<u>\$ 915</u>	<u>\$ -</u>	<u>\$ 1,477</u>	<u>\$ 7,926</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ 576	\$ 4,907	\$ 1,601	\$ (20)	\$ 7,064
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in accounts receivable		32			32
and accrued expenses	23	11			34
Total adjustments	<u>23</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>66</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 599</u>	<u>\$ 4,950</u>	<u>\$ 1,601</u>	<u>\$ (20)</u>	<u>\$ 7,130</u>



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.

AGENCY FUNDS

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

Student Activity Fund

to account for the collection and payment of expenses for education extra-curricular activities at the high school, middle school and grammar schools. Annually, the Board of Education transfers funds from its General Fund Budget.

Contractor's Bond Fund

to account for all bonds collected from contractors - these bonds will be returned to payee upon successful completion of related construction project.

Downtown District

to account for taxes collected for the upkeep of the downtown areas.

CITY OF NEW BRITAIN, CONNECTICUT
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018
(In Thousands)

	<u>Firemen's Pension Fund</u>	<u>Police Benefit Fund</u>	<u>OPEB Trust Fund</u>	<u>Interfund Elimination</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 391	\$	\$ 1,194	\$	\$ 1,585
Investments	76,995	64,380	4,263		145,638
Accounts receivable			668		668
Due from other funds	<u>119</u>			<u>(119)</u>	<u>-</u>
Total Assets	<u>\$ 77,505</u>	<u>\$ 64,380</u>	<u>\$ 6,125</u>	<u>(119)</u>	<u>\$ 147,891</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Accounts payable	\$ 2	\$	\$	\$	\$ 2
Due to other funds		119		(119)	-
Total liabilities	<u>2</u>	<u>119</u>	<u>-</u>	<u>(119)</u>	<u>2</u>
Net Position Held in Trust for Pension Benefits	<u>77,503</u>	<u>64,261</u>	<u>6,125</u>		<u>147,889</u>
Total Liabilities and Net Position	<u>\$ 77,505</u>	<u>\$ 64,380</u>	<u>\$ 6,125</u>	<u>\$ (119)</u>	<u>\$ 147,891</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, 2018
(In Thousands)

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 1,459	\$ 1,419	\$ 5,349	\$ 8,227
Employee	192	151		343
Total contributions	<u>1,651</u>	<u>1,570</u>	<u>5,349</u>	<u>8,570</u>
Investment income:				
Net change in fair value of investments	4,564	4,208	278	9,050
Interest and dividends	<u>1,568</u>	<u>1,171</u>		<u>2,739</u>
Total investment income	<u>6,132</u>	<u>5,379</u>	<u>278</u>	<u>11,789</u>
Total additions	<u>7,783</u>	<u>6,949</u>	<u>5,627</u>	<u>20,359</u>
Deductions:				
Benefits	7,356	7,518	4,681	19,555
Administration	<u>24</u>	<u>24</u>	<u>6</u>	<u>54</u>
Total deductions	<u>7,380</u>	<u>7,542</u>	<u>4,687</u>	<u>19,609</u>
Change in Net Position	403	(593)	940	750
Net Position at Beginning of Year	<u>77,100</u>	<u>64,854</u>	<u>5,185</u>	<u>147,139</u>
Net Position at End of Year	<u>\$ 77,503</u>	<u>\$ 64,261</u>	<u>\$ 6,125</u>	<u>\$ 147,889</u>

CITY OF NEW BRITAIN, CONNECTICUT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Contractor's Bond Fund				
Assets:				
Cash and cash equivalents	\$ <u>342</u>	\$ <u>134</u>	\$ <u>19</u>	\$ <u>457</u>
Liabilities:				
Due to beneficiaries	\$ <u>342</u>	\$ <u>134</u>	\$ <u>19</u>	\$ <u>457</u>
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ <u>388</u>	\$ <u>718</u>	\$ <u>752</u>	\$ <u>354</u>
Liabilities:				
Due to beneficiaries	\$ <u>388</u>	\$ <u>718</u>	\$ <u>752</u>	\$ <u>354</u>
Downtown District				
Assets:				
Cash and cash equivalents	\$ <u>5</u>	\$ <u>225</u>	\$ <u>189</u>	\$ <u>41</u>
Liabilities:				
Due to beneficiaries and others	\$ <u>5</u>	\$ <u>225</u>	\$ <u>189</u>	\$ <u>41</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ <u>735</u>	\$ <u>1,077</u>	\$ <u>960</u>	\$ <u>852</u>
Liabilities:				
Due to beneficiaries	\$ <u>735</u>	\$ <u>1,077</u>	\$ <u>960</u>	\$ <u>852</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 132,508	\$ 118,980	\$ 138,395	\$ 138,868	\$ 125,383	\$ 151,122	\$ 147,800	\$ 137,210	\$ 153,258	\$ 152,453
Restricted	3,466	3,392	3,814	3,311	2,855	8,281	8,109	2,883	2,483	2,381
Unrestricted	(105,212)	(47,898)	(62,371)	(94,349)	(25,437)	(42,371)	(47,512)	(27,443)	(50,521)	(54,702)
Total governmental activities net position	30,762	74,474	79,838	47,830	102,801	117,032	108,397	112,650	105,220	100,132
Business-type activities:										
Net investment in capital assets	42,429	42,120	41,799	41,387	41,058	39,737	39,381	27,883	27,181	26,456
Unrestricted	8,422	8,540	8,710	7,901	6,415	11,171	11,550	20,425	24,519	23,623
Total business-type activities net position	50,851	50,660	50,509	49,288	47,473	50,908	50,931	48,308	51,700	50,079
Primary government:										
Net investment in capital assets	174,937	161,100	180,194	180,255	166,441	190,859	187,181	165,093	180,439	178,909
Restricted	3,466	3,392	3,814	3,311	2,855	8,281	8,109	2,883	2,483	2,381
Unrestricted	(96,790)	(39,358)	(53,661)	(86,448)	(19,022)	(31,200)	(35,962)	(7,018)	(26,002)	(31,079)
Total Primary Government Net Position	\$ 81,613	\$ 125,134	\$ 130,347	\$ 97,118	\$ 150,274	\$ 167,940	\$ 159,328	\$ 160,958	\$ 156,920	\$ 150,211

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 7,405	\$ 10,235	\$ 12,907	\$ 3,687	\$ 15,087	\$ 11,539	\$ 12,124	\$ 12,083	\$ 8,596	\$ 13,414
Public safety	70,452	55,681	57,112	56,019	50,893	42,461	45,290	41,086	40,102	36,142
Public works	26,444	31,637	20,661	28,358	31,236	26,025	20,309	23,171	25,668	26,500
Health and welfare	6,485	5,953	6,746	6,605	6,633	6,188	6,574	8,225	8,643	8,763
Parks, recreation and libraries	2,115	12,624	13,857	15,804	13,304	10,647	13,077	11,462	11,348	12,249
Education	203,025	167,194	194,594	182,914	185,208	168,740	164,084	173,807	163,027	159,235
Interest on long-term debt	11,490	7,108	14,585	26,172	11,386	11,553	14,052	10,907	10,036	10,813
Total governmental activities expenses	327,416	290,432	320,462	319,559	313,747	277,153	275,510	280,741	267,420	267,116
Business-type activities:										
Water	9,274	10,450	9,446	8,922	5,176	11,242	10,236	10,432	10,560	9,034
Total Primary Government Expenses	\$ 336,690	\$ 300,882	\$ 329,908	\$ 328,481	\$ 318,923	\$ 288,395	\$ 285,746	\$ 291,173	\$ 277,980	\$ 276,150
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,045	\$ 2,233	\$ 1,966	\$ 1,594	\$ 1,586	\$ 788	\$ 1,632	\$ 969	\$ 1,209	\$ 1,376
Public safety	3,471	3,726	4,027	3,185	4,207	4,202	3,810	2,140	2,593	2,743
Public works	13,204	13,512	12,534	12,943	13,385	12,697	11,820	12,818	12,387	10,240
Health and welfare	479	484	484	712	684	837	877	96	450	1,921
Parks, recreation and libraries	2,415	2,303	2,507	2,820	2,553	2,655	3,057	2,667	3,085	2,872
Education	450	529	594	943	744	596	507	777	1,586	5,835
Operating grants and contributions	159,712	117,079	147,578	139,486	139,955	131,215	122,717	135,289	129,213	119,868
Capital grants and contributions	7,063	3,484	23,232	7,737	5,619	1,984	2,632	2,080	1,248	25
Total governmental activities program revenues	188,839	143,350	192,922	169,420	168,733	154,974	147,052	156,836	151,771	144,880
Business-type activities:										
Charges for services	10,816	11,915	11,912	11,734	10,498	12,472	12,840	12,012	12,394	13,055
Capital grants and contributions										
Total business-type activities revenues	10,816	11,915	11,912	11,734	10,498	12,472	12,840	12,012	12,394	13,055
Total Primary Government Program Revenues	\$ 199,655	\$ 155,265	\$ 204,834	\$ 181,154	\$ 179,231	\$ 167,446	\$ 159,892	\$ 168,848	\$ 164,165	\$ 157,935
Net (Expense) Revenue:										
Governmental activities	\$ (138,577)	\$ (147,082)	\$ (127,540)	\$ (150,139)	\$ (145,014)	\$ (122,179)	\$ (128,458)	\$ (123,905)	\$ (115,649)	\$ (122,236)
Business-type activities	1,542	1,465	2,466	2,812	5,322	1,230	2,604	1,580	1,834	4,021
Total Primary Government Net Expense	\$ (137,035)	\$ (145,617)	\$ (125,074)	\$ (147,327)	\$ (139,692)	\$ (120,949)	\$ (125,854)	\$ (122,325)	\$ (113,815)	\$ (118,215)

(Continued on next page)

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	\$ 126,741	\$ 121,948	\$ 127,292	\$ 121,333	\$ 108,112	\$ 112,865	\$ 106,069	\$ 108,741	\$ 104,280	\$ 105,220
Grants and contributions not restricted to specific purposes	15,130	18,200	11,528	10,974	11,105	10,184	11,024	10,557	11,177	10,889
Unrestricted investment earnings	1,508	2,244	466	1,016	3,562	2,092	870	6,070	4,249	(600)
Transfer						1,263		5,000	263	
Miscellaneous	186	185	3,101	1,947	1,341	4,410	3,654	967	768	615
Total governmental activities	<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>	<u>131,335</u>	<u>120,737</u>	<u>116,124</u>
Business-type activities:										
Unrestricted investment earnings	4	3	5	3	9	10	19	28	50	135
Transfer						(1,263)		(5,000)	(263)	
Total business-type activities	<u>4</u>	<u>3</u>	<u>5</u>	<u>3</u>	<u>9</u>	<u>(1,253)</u>	<u>19</u>	<u>(4,972)</u>	<u>(213)</u>	<u>135</u>
Total Primary Government	<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>	<u>\$ 126,363</u>	<u>\$ 120,524</u>	<u>\$ 116,259</u>
Changes in Net Position:										
Governmental activities	\$ 6,343	\$ (3,188)	\$ 16,097	\$ (13,869)	\$ (14,231)	\$ 8,635	\$ (6,841)	\$ 7,430	\$ 5,088	\$ (6,112)
Business-type activities	<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>	<u>(3,392)</u>	<u>1,621</u>	<u>4,156</u>
Total Primary Government	<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>	<u>\$ 4,038</u>	<u>\$ 6,709</u>	<u>\$ (1,956)</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	1,372	2,803
Unreserved									7,655	7,212
Committed								5		
Assigned	9,208	17,294	3,165				41	379		
Unassigned	17,239	18,838	25,235	11,277	4,965	12,595	12,159	11,663		
Total General Fund	\$ 26,447	\$ 36,132	\$ 28,400	\$ 11,277	\$ 4,965	\$ 12,595	\$ 12,200	\$ 12,047	\$ 9,027	\$ 10,015
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	2,489	15,123
Unreserved, reported in:										
Special revenue funds									6,333	7,335
Capital projects funds									(31,257)	(42,841)
Nonspendable	3,466	3,392	3,033	3,212	3,095	2,038	2,890	2,883		
Restricted	27,387	16,946	15,361	14,969	10,102	6,573	5,464	5,697		
Committed	13,630	17,105	4,714	2,827	1,796	1,138	898	2,331		
Assigned							41			
Unassigned	(16,215)	(16,049)	(45,955)	(40,755)	(36,955)	(2,092)	(6,293)	(14,758)		
Total All Other Governmental Funds	\$ 28,268	\$ 21,394	\$ (22,847)	\$ (19,747)	\$ (21,962)	\$ 7,657	\$ 3,000	\$ (3,847)	\$ (22,435)	\$ (20,383)

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.

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes	\$ 124,516	\$ 124,302	\$ 122,687	\$ 119,390	\$ 108,353	\$ 114,381	\$ 110,013	\$ 106,904	\$ 103,052	\$ 104,141
Intergovernmental	180,212	177,793	182,139	154,502	157,325	148,476	137,303	150,216	141,888	134,838
Licenses, fees and charges for goods and services	21,626	21,740	21,909	20,312	23,803	21,494	21,632	19,529	21,010	18,861
Income on investments	1,107	890	205	192	774	618	308	3,504	2,843	263
Miscellaneous	2,013	669	3,055	5,793	1,904	4,410	3,654	1,123	3,135	3,263
Total revenues	<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>	<u>281,276</u>	<u>271,928</u>	<u>261,366</u>
Expenditures:										
General government	6,576	6,121	5,294	5,792	5,574	10,057	11,027	7,012	6,559	5,603
Public safety	41,586	41,338	34,532	33,478	32,834	41,442	43,589	40,696	39,852	34,405
Public works	23,335	20,678	21,386	18,587	21,794	19,237	23,536	21,998	33,515	36,106
Social services	5,780	4,959	6,014	5,709	4,524	6,181	6,584	8,187	8,666	9,262
Education	201,949	200,048	186,620	180,080	177,987	164,743	160,477	168,532	161,745	159,487
Parks and recreation	9,905	9,836	10,132	10,135	8,822	10,064	12,569	10,918	10,852	10,988
Other								1,194		
Capital outlay	11,509	12,451	19,159	39,041	25,558	24,125	30,378	16,971	581	1,127
Debt service interest	28,491	23,062	18,356	16,885	29,803	11,680	9,433	10,083	10,631	11,510
Debt service principal	16,580	16,580	16,580	16,580	16,580	17,925	22,384	15,024	15,507	14,836
Total expenditures	<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>	<u>300,615</u>	<u>287,908</u>	<u>283,324</u>
Excess of Revenue Under Expenditures	<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>	<u>(19,339)</u>	<u>(15,980)</u>	<u>(21,958)</u>
Other Financing Sources (Uses):										
Transfers in	4,737	2,436	2,430	2,053	11,750	6,407	11,765	6,954	29,785	27,185
Transfers out	(3,382)	(1,119)	(1,180)	(1,053)	(5,087)	(5,144)	(1,269)	(1,954)	(29,522)	(34,216)
Premiums		7,846	7,587	4,794		244		1,011	963	
Discounts	(425)									
Proceeds from the issuance of bonds and notes	91,645	74,720	44,545	79,300		19,225	34,441	36,840	11,715	13,922
Payment to refund bond escrow agent	(79,149)	(22,231)	(51,169)	(50,581)				(1,904)		
Total other financing sources (uses)	<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>	<u>40,947</u>	<u>12,941</u>	<u>6,891</u>
Net Change in Fund Balances	<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>	<u>\$ 21,608</u>	<u>\$ (3,039)</u>	<u>\$ (15,067)</u>
Debt Service as a Percentage of Noncapital Expenditures	16.2%	13.6%	13.5%	12.7%	15.5%	11.8%	12.3%	9.8%	9.5%	10.3%

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									
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
2011	1,878,503,435	1,594,077,555	104,608,140	211,674,863	251,888,903	1,127,364,436	2,913,388,460	405,687	2,912,982,773	36.63	4,161,403,961	70
2010	1,877,395,685	1,602,228,125	103,697,510	211,468,835	244,060,703	1,116,731,072	2,922,119,786	2,443,051	2,919,676,735	34.98	4,170,966,764	70
2009	1,871,914,475	1,634,241,985	95,297,940	198,383,811	251,565,967	1,088,448,853	2,962,955,325	19,664,862	2,943,290,463	34.98	4,204,700,661	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 2018 fiscal is the 2016 Grand List, 2017 is 2015 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
2016 AND 2007**

October 1, 2016				October 1, 2007			
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	\$ 69,819,890	1	2.64%	CT Light & Power	\$ 42,558,903	1	1.45%
StanleyBlack & Decker Inc	23,202,991	2	0.88%	Stanley Works	27,496,838	2	0.93%
Pebblebrook Apartments LLC	19,675,530	3	0.74%	Brittany Farms Assoc.	25,706,030	3	0.87%
Conn Natural Gas Corp	14,244,640	4	0.54%	NB-BTMC LLC	15,934,030	4	0.54%
Investment Associates LTP	11,546,830	5	0.44%	Inland Southeast New Britain LLC	14,689,220	5	0.50%
Corbin-Pinnacle LLC	10,187,230	6	0.38%	Farmington Hills 06 LLC	12,896,450	6	0.44%
Inland Southeast NB LLC	9,852,570	7	0.37%	Conn Natural Gas Corp	12,117,895	7	0.41%
NB-BTMC, LLC (Target)	9,800,000	8	0.37%	Investment Associates	11,672,780	8	0.40%
NETZ BHNV- New Britain LLC	9,373,820	9	0.35%	Powerstan Properties LLC	10,771,320	9	0.37%
Paramount Plaza at New Brite LLC	9,239,650	10	0.35%	Creed Monarch Inc.	10,635,556	10	0.36%
	<u>\$ 186,943,151</u>		<u>7.06%</u>		<u>\$ 184,479,022</u>		<u>6.27%</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
2018	50.50	\$ 123,675	\$ 119,490	96.62 %	\$ N/A	\$ 119,490	96.62 %
2017	50.50	122,530	119,252	97.24	N/A	119,252	97.24
2016	49.00	121,394	117,364	96.60	2,374	117,265	96.60
2015	49.00	120,101	115,575	96.23	3,391	115,575	96.23
2014	44.12	106,331	103,465	97.30	2,093	105,558	99.27
2013	36.63	106,630	104,180	97.70	1,844	106,024	99.43
2012	36.63	107,582	103,302	96.02	3,759	107,061	99.52
2011	36.63	107,141	102,722	95.88	3,901	106,623	99.52
2010	34.98	102,274	98,267	96.08	3,513	101,780	99.52
2009	34.98	103,153	98,983	95.72	3,661	102,644	99.51

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								
2018	\$ 285,232	\$ -	\$ 10,583	\$	295,815	7.54 %	9.35 %	\$ 3,914	72,876	\$ 583	18,157
2017	280,716	-	12,417		293,133	7.51	9.51	3,846	72,988	705	17,601
2016	251,732	-	14,251		265,983	6.61	8.18	3,316	73,095	788	18,095
2015	251,639	-	16,085		267,724	6.82	8.51	3,396	73,122	890	18,068
2014	209,802	-	17,919		227,721	5.80	7.23	2,882	73,055	995	18,018
2013	227,415	-	19,754		247,169	5.40	7.32	3,059	74,348	1,102	17,932
2012	220,634	-	26,366		247,000	5.15	6.91	2,891	74,348	1,795	17,877
2011	198,147	-	34,336		232,483	4.76	7.50	2,823	70,185	1,926	17,832
2010	178,571	-	36,573		215,144	4.28	5.98	2,556	69,860	2,058	17,772
2009	181,951	-	38,822		220,773	4.33	6.12	2,593	70,181	2,188	17,743

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, 2018
(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2017	\$ 124,822 *
Reimbursement for revenue loss	<u>389</u>
BASE for Debt Limitation Computation	<u><u>\$ 125,211</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension</u>
Debt limitation:					
2-1/4 times base	\$ 281,725	\$	\$	\$	\$
4-1/2 times base		563,450			
3-3/4 times base			469,541		
3-1/4 times base				406,936	
3 times base					375,633
Total debt limitation	<u>281,725</u>	<u>563,450</u>	<u>469,541</u>	<u>406,936</u>	<u>375,633</u>
Indebtedness:					
Bonds and notes payable	243,392	39,462	2,378		
Overlapping debt			25,586		
Bonds authorized - unissued	25,514	66,503	4,459		
Total indebtedness	<u>268,906</u>	<u>105,965</u>	<u>32,423</u>	<u>-</u>	<u>-</u>
Less self-liquidating indebtedness:					
Statutory exclusion- pension obligation bond	60,140				
Total self-liquidating indebtedness	<u>60,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness less self-liquidating indebtedness	<u>208,766</u>	<u>105,965</u>	<u>32,423</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 72,959</u>	<u>\$ 457,485</u>	<u>\$ 437,118</u>	<u>\$ 406,936</u>	<u>\$ 375,633</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation - \$876,477

*Budgetary basis

TABLE 10

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 876,477	\$ 876,477	\$ 860,587	\$ 839,153	\$ 763,280	\$ 796,372	\$ 764,726	\$ 761,802	\$ 722,176	\$ 740,202
Total net debt applicable to limit	<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>	<u>297,519</u>	<u>289,278</u>	<u>269,466</u>
Legal debt margin	<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>	<u>\$ 464,283</u>	<u>\$ 432,898</u>	<u>\$ 470,736</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<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>	<u>39.05%</u>	<u>40.06%</u>	<u>36.40%</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)
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
2011	70,185	2,640,991,365	23,557	35.0	10,400	13.20
2010	69,860	2,987,143,740	23,557	35.0	10,405	12.40
2009	70,181	2,975,042,771	20,907	35.0	10,203	11.50

(1) Connecticut Economic Research Center, Inc. CERC Town Profile 2014

(2) Source: Consolidated School District of New Britain

(3) Source: CT Dept. of Labor

TABLE 12

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL EMPLOYERS
2018 AND 2009**

2018					2009				
Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment	Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment
City of New Britain	Municipality	2,239	1	6.46%	Hospital of Central CT	Hospital	3,600	1	11.37%
Hospital of Central CT	Hospital	1,536	2	4.43%	State of CT	Government	2,811	2	8.88%
Central CT State University	University	1,450	3	4.19%	City of New Britain	Municipality	2,226	3	7.03%
Hospital for Special Care	Hospital	1,182	4	3.41%	The Hospital for Special Care	Hospital	1,396	4	4.41%
Stanley-Black & Decker	Manufacturing	600	5	1.73%	Stanley Works	Manufacturing	780	5	2.46%
Webster Bank	Banking	599	6	1.73%	Tilcon CT	Construction	735	6	2.32%
Tilcon CT	Construction	553	7	1.60%	Grove Hill Medical Center	Health Care	430	7	1.36%
Creed Monarch	Manufacturing	300	8	0.87%	Dattco	Transportation	409	8	1.29%
Polamer Precision	Manufacturing	249	9	0.72%	Celebration Foods	Food	400	9	1.26%
Rich Foods	Manufacturing	220	10	0.64%	Moore Medical	Medical	350	10	1.11%
Total		8,928		25.78%			13,137		41.50%
Total Employment		34,638			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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration, financial and other	81	111	112	112	112	98	119	123	124	132
Police	192	187	182	182	182	157	162	151	165	172
Fire	129	131	132	132	132	137	152	153	154	158
Health and welfare	11	12	10	10	10	22	18	18	18	20
Parks and recreation	16	16	38	38	38	42	53	54	53	57
Public works, engineering, garage	93	62	43	43	43	50	62	63	63	74
Water	44	42	40	40	40	38	52	52	52	53
Education	<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>	<u>1,333</u>	<u>1,364</u>	<u>1,334</u>
Total	<u>1,864</u>	<u>1,841</u>	<u>1,814</u>	<u>1,814</u>	<u>1,781</u>	<u>1,838</u>	<u>1,950</u>	<u>1,947</u>	<u>1,993</u>	<u>2,000</u>

TABLE 14

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

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Building permits issued	1,158	1,118	1,157	1,073	992	628	852	518	2,296	1,985
Building inspections conducted	1,102	1,033	918	857	1,026	1,131	1,804	1,101	4,631	4,210
Police:										
Calls for service	43,697	63,911	92,161	83,389	74,295	32,701	43,233	45,494	46,776	51,989
Physical arrests	5,396	4,622	5,117	5,542	4,341	4,230	5,307	6,188	7,021	6,803
Parking violations	7,818	7,438	8,437	12,626	12,915	16,963	13,197	15,049	14,498	18,436
Traffic violations	6,835	3,590	9,459	5,532	4,243	2,103	3,054	4,410	3,315	4,322
Fire:										
Emergency responses	6,600	5,611	5,874	6,350	6,047	6,542	6,286	6,604	6,624	6,871
Fires extinguished	105	138	129	463	404	241	280	284	297	291
Inspections	891	865	767	292	207	226	295	305	302	288
Refuse collection:										
Refuse collected (tons per day)	81	80	83	122	157	161	165	168	177	178
Recyclables collected (tons per day)	16	16	16	16	16	16	17	14	9	10
Other public works:										
Street resurfacing (miles)	9	5	6	10	10	9	8	5	7	12
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,406
Parks and recreation:										
Athletic field permits issued	5,040	3,910	3,305	3,123	2,820	3,110	3,176	3,373	3,300	3,763
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	238,017	246,117	249,104	242,255	234,883	230,497	225,581	213,907	220,384	220,974
Total volumes borrowed	297,888	308,175	334,763	261,727	361,682	405,206	408,167	394,456	415,416	394,883
Water:										
New connections	26	11	12	6		11	4	5	405	151
Water main breaks	25	35	26	35	13	20	9	21	18	31
Average daily consumption (thousands of gallons)	9,305	9,382	9,706	9,301	9,056	8,830	8,887	9,140	8,755	9,050
Peak daily consumption (thousands of gallons)	11,996	11,892	12,329	11,817	12,659	11,640	12,722	13,424	16,660	11,800
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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	47	45	45	37	38	30	32	32	30	30
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	8	10	11	11	11	10	10	10	10	9
Other public works:										
Streets (miles)	193	185	185	185	185	185	163	163	163	163
Highways (miles)	33	15	15	15	15	N/A	N/A	N/A	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	69	69	69	71	71	71	71	71	71	71
Parks and recreation:										
Acreage	1,200	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	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	10	10	10	9	9	9	9	9	9	9
Water:										
Water mains (miles)	274	274	274	248	248	248	247	247	269	269
Fire hydrants	2,078	2,097	2,096	1,864	1,863	1,863	1,851	1,887	1,852	1,992
Storage capacity (thousands of gallons)	2,742,921	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,742,921
Wastewater:										
Sanitary sewers (miles)	179	179	179	179	179	179	179	179	179	179
Storm sewers (miles)	154	154	154	154	154	154	153	153	153	153