

# **City of New Britain Connecticut**



## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2020

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

OF THE

## **CITY OF NEW BRITAIN CONNECTICUT**

**FISCAL YEAR ENDED JUNE 30, 2020**



**Prepared by Finance Department**

Lori Granato, Director of Finance

**CITY OF NEW BRITAIN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**JUNE 30, 2020**

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## **Introductory Section**

**CITY OF NEW BRITAIN, CONNECTICUT  
PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2020**

**MAYOR**

Erin E. Stewart

**TREASURER**

Ronald Jakubowski

**CITY COUNCIL**

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

**ADMINISTRATION**

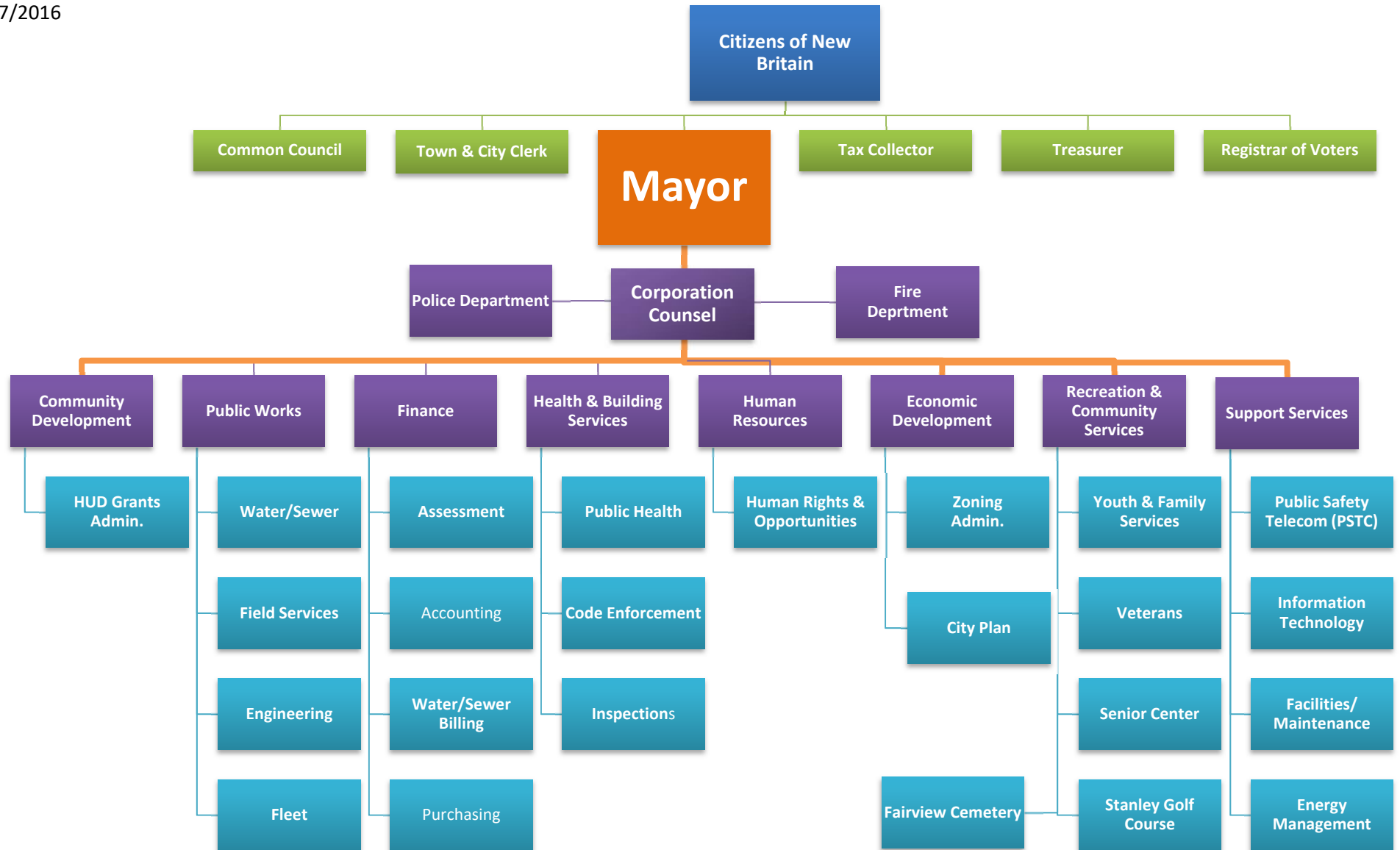
Corporation Counsel	Gennaro Bizzarro
Town Clerk	Mark Bernacki
Tax Collector	Cheryl Blogoslawski
Assessor	Michael Konik
Chief of Fire	Raul Ortiz
Chief of Police	Christopher Chute
Director of Community Development	Kenneth Malinowski
Director of Economic Development	William Carroll
Director of Finance	Lori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

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

# City of New Britain Organization Chart

Rev. 9/7/2016





## CITY OF NEW BRITAIN, CONNECTICUT



December 12, 2020

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, 2020.

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, 2020 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, 2020, 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 is Connecticut’s eighth largest municipality, with a population in excess of 73,000. The City itself covers 13.3 square miles, and was first settled as part of the Town of Berlin in 1680, and was chartered as a City in 1871.

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

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

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

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

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

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

### **Form of Government**

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

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

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

### **Major Initiatives**

The City of New Britain is committed to the well-being 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 8 of its downtown streetscape project which will make the downtown area more welcoming for pedestrians, cyclists, and motorists.

The City continues to experience a positive growth within the area of Transit Oriented Development ("TOD"). Office conversions previously reported on are all within walking distance to the CTFastrak busway have either been completed or are in stages of rehabilitation. New Britain's newest and completed Columbus Commons apartments located at 125 Columbus Boulevard is open for tenancy and developers of the project have announced that 79% of the total occupancy has been leased. The development company also reported that potential users for the available 10,000 square feet commercial space are being interviewed, but due to current market conditions and COVID-19, progress has been slower than anticipated. The developer has hired a full time brokerage firm to assist with tenancy. In 2020, it is anticipated that negotiations between the developers of 125 Columbus Commons will request negotiations with the City of New Britain to begin Phase Two of the project that will include 70 new additional units.

Substantial progress has been made with 222 Main Street, a former 60,000 square foot under-utilized building fronting the town green that is being converted to 42 residential units and 6,000 square feet of retail space. Build out and total rehab are ahead of schedule with an anticipated grand opening date in late fall of 2020. The market rate housing will consist of primarily one bedroom apartments and updated interior amenities. Anticipated project cost is over 5 million.

Courtside Commons located at 57 Court Street will house 24 new residential units is ahead of schedule according to the developer. It is anticipated to be complete in early fall of 2020. The 26,000 square foot four story building has been vacant for over 20 years and will be receiving a facelift but retaining the charm of its architectural style and courtyard. The developer will reserve four apartments specifically for veterans. The cost of the rehabilitation and fit out will exceed \$3.5 million.

Ongoing conversations also include 27 Main Street where permits have been submitted for two floors of vacant space which will be converted to 20 one bedroom apartments. 5 Walnut Street is also currently being converted from office to seven studio apartments.

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

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

The Energy and Innovation Park (“EIP”) will construct a 19.98 megawatt fuel cell grid on the Stanley Black & Decker campus. The first phase of several in the one billion dollar privately funded project. The project will provide approximately 3,000 jobs and generate tax revenue upwards of \$45 million for the City of New Britain throughout the 20 year span. On October 2, 2019, Connecticut Governor Lamont joined New Britain Mayor Erin E. Stewart for the official construction kickoff ceremony. Concurrently, negotiations are ongoing with prospective data center users for the Phase II data center that includes 275,000 gross square foot facility that will offer data storage and protection to numerous entities including educational, government and private sector businesses. In 2019, the owners of EIP in partnership with a private entity announced that a 3-acre hydroponic farm will be constructed adjacent to the fuel enter facility. The hydroponic facility will be cooled and heated by the fuel cells and produce between 60,000 to 80,000 natural food products per week for natural grocery store chains throughout the country. Additionally, Phase II includes a 275,000 gross square foot data center that will offer data storage and protection to numerous entities including educational, government and private sector businesses.

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

New Britain is host to a variety of medical facilities to call upon, including the 436 bed Hospital of Central Connecticut (formerly New Britain General Hospital), the 7<sup>th</sup> largest hospital in the state with approximately 2,200 employees. The 200 bed Hospital for Special Care provides rehabilitation services and elder care. These two medical anchor facilities have fueled the growth of numerous modern clinics and outpatient treatment centers, and New Britain is part of the State’s Bioscience Enterprise Corridor Zone that provides economic incentives for small-to-medium sized businesses in

the bioscience industry. The Hospital of Central Connecticut, in partnership with Hartford Hospital, completed a new state-of-the-art cancer treatment and research facility in January 2015. The facility is 65,000 square feet and straddles the New Britain-Plainville line. This was the first facility of its kind in Connecticut to be a full partner with Memorial Sloan-Kettering Cancer Center.

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

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

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

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

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

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

### **Financial Information**

The Finance Department includes Accounting, Tax Assessment, Tax Collection, City Treasurer, Purchasing, Data Processing and Risk Management. The Accounting Division maintains, monitors and controls accounting records for City funds and has responsibility for banking relations and all bank accounts, as well as investment accounts for collecting or disbursing City funds. Bank and investment accounts are evaluated daily through on-line communication software.

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

### **Budgetary Controls**

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

### **Pension Programs**

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

MERS is the administrator of a cost sharing multiple employer public employee retirement system ("CMERS") established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund.

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

The City's OPEB liability is calculated to be \$77.4 million. The City's liability is relatively low because employees generally receive 7 years (10 years for Fire) of health benefits after twenty years of service.

### **Financial Policies**

Several key policies have been developed and implemented that significantly affect the financial transactions of the City. The Fund Balance Policy is a safeguard to ensure that if the fund balance drops below five percent (5%) of operating expenditures, there will be a mechanism in place to increase the fund balance over a specified period of time. The OPEB Policy was implemented to ensure proper funding of the City's OPEB trust fund. In addition, there are several policies that have been adopted to ensure proper investment of the City's funds, including the pension trust fund.

## **Debt Administration**

At year end, the City had a number of debt issues outstanding. These included \$293 million of general obligation bonds. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on seven times total tax collections plus state reimbursement for revenue loss. As of June 30, 2020, the City's net general obligation bonded debt of \$335 million was well below the legal limit of \$943 million.

## **Risk Management**

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

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

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

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

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

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

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

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

## **Independent Audit**

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

## **Acknowledgements**

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

The preparation of this report could not have been accomplished without the efficient and dedicated services the Finance Department staff. Special appreciation is conveyed to the representatives from 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, 2019

*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, 2020, 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, 2020 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.

## ***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 statements of the City of New Britain, Connecticut, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 23, 2019, 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, 2019 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 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 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, 2019.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2020 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 12, 2020

**CITY OF NEW BRITAIN, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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, 2020. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

**Financial Highlights**

- The City's net position decreased as a result of this year's operations. The net position of the business-type activities increased \$339k, and the net position of the governmental activities decreased by \$12 million.
- In its governmental activities, the City had revenues of \$348 million and expenses of \$361 million.
- In the City's business-type activities, revenues were \$12.3 million while expenses were \$10.6 million, thus increasing the net position before transfers of the business-type funds by \$1.7 million. The net position after transfers of the business-type funds increased by \$339k
- The General Fund reported a fund balance of \$22.2 million (\$4.5m assigned and \$17.7m unassigned).
- The tax collection rate for the current levy was 96.37%.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

## **Government-Wide Financial Analysis**

The City's combined net position is lower than it was one year ago, decreasing from \$74 million to \$62 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**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current Assets	\$ 152,813	\$ 166,843	\$ 10,806	\$ 10,730	\$ 163,619	\$ 177,573
Capital assets:						
Capital assets not being depreciated	70,358	82,844	1,977	1,977	72,335	84,821
Capital assets being depreciated, net	322,337	301,955	50,375	51,634	372,712	353,589
Total assets	<u>545,508</u>	<u>551,642</u>	<u>63,158</u>	<u>64,341</u>	<u>608,666</u>	<u>615,983</u>
Deferred Outflows of Resources	<u>83,606</u>	<u>97,204</u>	<u>699</u>	<u>745</u>	<u>84,305</u>	<u>97,949</u>
Long-term debt outstanding	581,758	568,819	9,492	11,468	591,250	580,287
Other liabilities	33,411	53,257	667	259	34,078	53,516
Total liabilities	<u>615,169</u>	<u>622,076</u>	<u>10,159</u>	<u>11,727</u>	<u>625,328</u>	<u>633,803</u>
Deferred Inflows of Resources	<u>5,364</u>	<u>6,031</u>			<u>5,364</u>	<u>6,031</u>
Net Position:						
Net investment in capital assets	131,388	111,159	43,744	43,064	175,132	154,223
Restricted	3,295	3,580			3,295	3,580
Unrestricted (deficit)	<u>(126,102)</u>	<u>(94,000)</u>	<u>9,954</u>	<u>10,295</u>	<u>(116,148)</u>	<u>(83,705)</u>
Total Net Position	<u>\$ 8,581</u>	<u>\$ 20,739</u>	<u>\$ 53,698</u>	<u>\$ 53,359</u>	<u>\$ 62,279</u>	<u>\$ 74,098</u>

Net position of the City's governmental activities decreased in FY20 by 59% (\$8.5 million compared to \$20.7 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 \$(126) million at June 30, 2020.

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

- Cash and cash equivalents decreased by \$10m due primarily to increased receivables and decreased fund balance
- Receivables increased primarily due to taxes and interest as well as grant funds receivable



**TABLE 2**  
**SUMMARY STATEMENT OF ACTIVITIES**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues:						
Program revenues:						
Charges for services	\$ 24,872	\$ 25,351	\$ 12,355	\$ 13,498	\$ 37,227	\$ 38,849
Operating grants and contributions	157,787	146,678			157,787	146,678
Capital grants and contributions	5,672	18,625			5,672	18,625
General revenues:						
Property taxes	139,464	134,636			139,464	134,636
Grants and contributions not restricted to specific programs	13,651	13,035			13,651	13,035
Unrestricted investment earnings	1,866	245	8	3	1,874	248
Other general revenues	4,448	1,994			4,448	1,994
Total revenues	<u>347,760</u>	<u>340,564</u>	<u>12,363</u>	<u>13,501</u>	<u>360,123</u>	<u>354,065</u>
Program expenses:						
General government	14,549	33,074			14,549	33,074
Public safety	79,373	61,767			79,373	61,767
Public works	27,892	36,814			27,892	36,814
Health and welfare	9,448	7,322			9,448	7,322
Parks, recreation and libraries	13,012	9,275			13,012	9,275
Education	204,454	196,522			204,454	196,522
Interest on long-term debt	12,545	7,167			12,545	7,167
Water			10,669	9,639	10,669	9,639
Total program expenses	<u>361,273</u>	<u>351,941</u>	<u>10,669</u>	<u>9,639</u>	<u>371,942</u>	<u>361,580</u>
Increase (decrease) in net position before transfers	(13,513)	(11,377)	1,694	3,862	(11,819)	(7,515)
Transfers	<u>1,355</u>	<u>1,354</u>	<u>(1,355)</u>	<u>(1,354)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(12,158)	(10,023)	339	2,508	(11,819)	(7,515)
Net position at beginning of year	<u>20,739</u>	<u>30,762</u>	<u>53,359</u>	<u>50,851</u>	<u>74,098</u>	<u>81,613</u>
Net Position at End of Year	<u>\$ 8,581</u>	<u>\$ 20,739</u>	<u>\$ 53,698</u>	<u>\$ 53,359</u>	<u>\$ 62,279</u>	<u>\$ 74,098</u>

The City's combined revenues were \$360 million. The total cost of all programs and services was \$372 million.

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

### **Governmental Activities**

Revenues for governmental activities totaled \$348 million; property taxes (40%), operating grants (45.3%) and charges for services (7.2%) are the major revenue sources - contributing approximately 92.5% of the City's revenues.

Expenses for governmental activities were \$361 million, of which 52% were supported by program revenues and 44% were supported from general revenues. Expenses by function include education (56.6%), public safety (22%), public works (7.7%), and parks, recreation and libraries (3.6%), which made up 89.9% 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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Education	\$ 204,454	\$ 196,522	\$ 54,547	\$ 48,486
Public safety	79,373	61,767	74,074	57,100
Public works	27,892	36,814	3,932	9,552
General government	14,549	33,074	12,646	31,218
All others	35,005	23,764	27,743	14,931
Totals	<u>\$ 361,273</u>	<u>\$ 351,941</u>	<u>\$ 172,942</u>	<u>\$ 161,287</u>

### **Business-Type Activities**

Revenues and expenses of the City's business-type activities amounted to \$12.3 million and \$10.7 million, respectively. Net position increased by \$339k.

### **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 \$49.2 million, which is a decrease from last year's total of \$53.7 million. The decrease in the fund balance can be attributed the decrease in cash and cash equivalents due to a greater spread between revenues and expenditures. Also, the GO bond issue in FY19 was \$17 million larger than the FY20 issue which resulted in a greater influx of cash in FY19 as compared to FY20.

#### **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 \$9.9 million and those for the internal service funds amounted to \$22m. The increase in unrestricted net position for the internal service funds was due to greater contributions to the funds.

## **General Fund Budgetary Highlights**

- Tax collections remained high in line with previous years with a collection rate of 96.37%
- The General Fund received \$835k in bond/BAN premium
- \$3m in was transferred to the Capital NonRecurring Fund for the direct purchase of capital equipment including a new ladder truck
- \$4m was transferred to the City's medical self insurance fund
- \$2m was transferred to the police and fire pension funds

## **Capital Asset and Debt Administration**

### **Capital Assets**

At June 30, 2020, the City had \$445 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 \$6.6 million, or 1.5% above last year.

**TABLE 4**  
**CAPITAL ASSETS**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 13,417	\$ 13,417	\$ 1,977	\$ 1,977	\$ 15,394	\$ 15,394
Construction in progress	56,941	69,427			56,941	69,427
Buildings and improvements	217,381	207,323			217,381	207,323
Equipment	7,889	7,380			7,889	7,380
Vehicles	6,376	6,441			6,376	6,441
Infrastructure	90,691	80,811			90,691	80,811
Water filtration assets			50,375	51,634	50,375	51,634
Totals	<u>\$ 392,695</u>	<u>\$ 384,799</u>	<u>\$ 52,352</u>	<u>\$ 53,611</u>	<u>\$ 445,047</u>	<u>\$ 438,410</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, 2020, the City had \$293m in bonds and notes outstanding versus \$297m last year – a decrease of 1.3% - as shown in Table 5.

**TABLE 5**  
**OUTSTANDING DEBT**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General Obligation Bonds (backed by the City)	\$ 293,014	\$ 297,089	\$ -	\$ -	\$ 293,014	\$ 297,089

The City's general obligation bond rating from Standard & Poor's, Moody's, and Fitch all national rating agencies, is A+, Baa2 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 \$943 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 2020 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 13.30% versus 5.20% a year ago. This compares with the State's unemployment rate of 9.8% and the national rate of 11.2%.

These indicators were taken into account when adopting the General Fund budget for 2020-2021. Amounts available for appropriation in the General Fund were \$22.2 million, a decrease of 10.9% over the final 2019 amount of \$24.9 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, 2020**  
**(In Thousands)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 76,135	\$ 3,813	\$ 79,948
Restricted cash	5,501		5,501
Investments	24,723	12	24,735
Receivables, net	46,254	6,745	52,999
Inventory	200	236	436
Capital assets:			
Capital assets not being depreciated	70,358	1,977	72,335
Capital assets being depreciated, net	322,337	50,375	372,712
Total assets	<u>545,508</u>	<u>63,158</u>	<u>608,666</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	5,857	699	6,556
Changes related to pensions	62,187		62,187
Changes related to OPEB	15,562		15,562
Total deferred outflows of resources	<u>83,606</u>	<u>699</u>	<u>84,305</u>
<b>Liabilities:</b>			
Accounts and other payables	29,052	667	29,719
Loans payable	844		844
Unearned revenue	3,515		3,515
Noncurrent liabilities:			
Due within one year	18,701	2,072	20,773
Due in more than one year	563,057	7,420	570,477
Total liabilities	<u>615,169</u>	<u>10,159</u>	<u>625,328</u>
<b>Deferred Inflows of Resources:</b>			
Changes related to pensions	5,105		5,105
Advanced property tax collections	259		259
Total deferred inflows of resources	<u>5,364</u>	<u>-</u>	<u>5,364</u>
<b>Net Position:</b>			
Net investment in capital assets	131,388	43,744	175,132
Restricted for:			
Trust purposes:			
Expendable	3,295		3,295
Unrestricted	(126,102)	9,954	(116,148)
Total Net Position	<u>\$ 8,581</u>	<u>\$ 53,698</u>	<u>\$ 62,279</u>

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, 2020**  
(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	\$ 14,549	\$ 1,860	\$ 43	\$	\$ (12,646)	\$	\$ (12,646)
Public safety	79,373	4,712	587		(74,074)		(74,074)
Public works	27,892	15,125	3,165	5,670	(3,932)		(3,932)
Health and welfare	9,448	548	3,882		(5,018)		(5,018)
Parks, recreation and libraries	13,012	2,218	406		(10,388)		(10,388)
Education	204,454	409	149,496	2	(54,547)		(54,547)
Interest on long-term debt	12,545		208		(12,337)		(12,337)
Total governmental activities	361,273	24,872	157,787	5,672	(172,942)	-	(172,942)
Business-type activities:							
Water	10,669	12,355				1,686	1,686
Total	\$ 371,942	\$ 37,227	\$ 157,787	\$ 5,672	(172,942)	1,686	(171,256)
General revenues:							
Property taxes					139,464		139,464
Grants and contributions not restricted to specific programs					13,651		13,651
Unrestricted investment income					1,866	8	1,874
Miscellaneous					4,448		4,448
Total general revenues					159,429	8	159,437
Transfers					1,355	(1,355)	-
Change in Net Position					(12,158)	339	(11,819)
Net Position at Beginning of Year					20,739	53,359	74,098
Net Position at End of Year					\$ 8,581	\$ 53,698	\$ 62,279

The accompanying notes are an integral part of the financial statements

**CITY OF NEW BRITAIN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**  
**(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>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 26,574	\$ 5,444	\$ 9,152	\$ 17,109	\$ 58,279
Restricted cash	5,501				5,501
Investments		4,382			4,382
Accounts receivables, net	27,307	589	403	17,945	46,244
Due from other funds	4,170				4,170
Inventories				200	200
Total Assets	<u>\$ 63,552</u>	<u>\$ 10,415</u>	<u>\$ 9,555</u>	<u>\$ 35,254</u>	<u>\$ 118,776</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 16,355	\$ 1,115	\$ 5,642	\$ 2,021	\$ 25,133
Due to other funds				4,170	4,170
Loans payable		844			844
Unearned revenue		2,956	559		3,515
Total liabilities	<u>16,355</u>	<u>4,915</u>	<u>6,201</u>	<u>6,191</u>	<u>33,662</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	24,661				24,661
Unavailable revenue - sewer use fees				6,440	6,440
Unavailable revenue - loans receivable				4,548	4,548
Advanced property tax collections	259				259
Total deferred inflows of resources	<u>24,920</u>	<u>-</u>	<u>-</u>	<u>10,988</u>	<u>35,908</u>
Fund balances:					
Nonspendable				3,295	3,295
Restricted		20,749	3,354	13,887	37,990
Committed		10,597		4,273	14,870
Assigned	4,500				4,500
Unassigned	17,777	(25,846)		(3,380)	(11,449)
Total fund balances	<u>22,277</u>	<u>5,500</u>	<u>3,354</u>	<u>18,075</u>	<u>49,206</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 63,552</u>	<u>\$ 10,415</u>	<u>\$ 9,555</u>	<u>\$ 35,254</u>	<u>\$ 118,776</u>

(Continued on next page)



**CITY OF NEW BRITAIN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**  
**(In Thousands)**

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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)	\$ 49,206
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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	\$ 695,434	
Less accumulated depreciation	(302,739)	
Net capital assets		392,695

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	11,622
Interest receivable on property taxes	13,039
Housing loans receivable	4,548
Sewer receivable	6,440
Deferred outflows related to pensions	62,187
Deferred outflows related to OPEB	15,562

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

21,897

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	(293,014)
Clean water notes payable	(1,680)
Interest payable on bonds and notes	(2,675)
Prior service costs	(13)
Compensated absences	(6,313)
Net pension liability	(181,583)
Net OPEB liability	(69,454)
Deferred charges on refunding	5,857
Deferred discounts on refundings	319
Unamortized bond premium	(14,954)
Deferred inflows related to pensions	(5,105)

Net Position of Governmental Activities (Exhibit I)	\$ <u>8,581</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, 2020**  
**(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	\$ 136,692	\$	\$	\$	\$ 136,692
Intergovernmental	111,190	3,208	41,477	20,551	176,426
Licenses, fees and charges for goods and services	9,843			13,963	23,806
Investment earnings	830	142		455	1,427
Investment Losses				(29)	(29)
Miscellaneous	4,497	414		522	5,433
Total revenues	<u>263,052</u>	<u>3,764</u>	<u>41,477</u>	<u>35,462</u>	<u>343,755</u>
Expenditures:					
Current:					
General government	6,353			40	6,393
Public safety	44,766			535	45,301
Public works	12,335			14,704	27,039
Health and welfare	2,249			4,052	6,301
Education	150,164		40,724	8,509	199,397
Parks and recreation	7,414			3,069	10,483
Capital outlay		16,320			16,320
Debt and sundry	45,251	5,359			50,610
Total expenditures	<u>268,532</u>	<u>21,679</u>	<u>40,724</u>	<u>30,909</u>	<u>361,844</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,480)</u>	<u>(17,915)</u>	<u>753</u>	<u>4,553</u>	<u>(18,089)</u>
Other Financing Sources (Uses):					
Transfers in	5,478	3,000		552	9,030
Transfers out	(3,552)	(2,963)		(1,160)	(7,675)
Issuance of general obligation bonds		11,360			11,360
Premium on general obligation bonds	835				835
Total other financing sources (uses)	<u>2,761</u>	<u>11,397</u>	<u>-</u>	<u>(608)</u>	<u>13,550</u>
Net Change in Fund Balances	(2,719)	(6,518)	753	3,945	(4,539)
Fund Balances at Beginning of Year	<u>24,996</u>	<u>12,018</u>	<u>2,601</u>	<u>14,130</u>	<u>53,745</u>
Fund Balances at End of Year	<u>\$ 22,277</u>	<u>\$ 5,500</u>	<u>\$ 3,354</u>	<u>\$ 18,075</u>	<u>\$ 49,206</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, 2020**  
**(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)	\$ (4,539)
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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	20,032
Depreciation expense	(12,136)

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	878
Property tax interest and lien revenue - accrual basis change	1,894
Housing loans receivable	30
Sewer receivables	927
Change in deferred inflows related to pensions	287

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

Proceeds from general obligation bonds	(11,360)
Premiums on general obligation bonds	(835)
Bond principal payments	15,435
Payments on clean water fund notes	349
Discounts on refundings	(53)

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	50
Change in prior service costs	14
Accrued interest	177
Amortization of deferred charge on refunding	(1,181)
Amortization of bond premium	2,219
Net OPEB expense	1,712
Net pension expense	(20,621)
Change in deferred outflows related to pensions	(10,024)
Change in deferred outflows related to OPEB	(2,393)

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.

6,980

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (12,158)</u>
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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, 2020**  
**(In Thousands)**

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 3,813	\$ 17,856
Investments	12	20,341
Receivables:		
Other, net of allowance for uncollectible	6,745	10
Inventory	236	
Total current assets	<u>10,806</u>	<u>38,207</u>
Noncurrent assets:		
Capital assets, net	52,352	
Total assets	<u>63,158</u>	<u>38,207</u>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding	<u>699</u>	
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable and accrued expenses	667	1,244
Compensated absences	87	
Current portion of bonds and notes payable	1,985	
Total current liabilities	<u>2,739</u>	<u>1,244</u>
Noncurrent liabilities:		
Bonds and notes payable	7,322	
Compensated absences	98	
Claim reserves		15,066
Total noncurrent liabilities	<u>7,420</u>	<u>15,066</u>
Total liabilities	<u>10,159</u>	<u>16,310</u>
<b>Net Position:</b>		
Net investment in capital assets	43,744	
Unrestricted	<u>9,954</u>	<u>21,897</u>
<b>Total Net Position</b>	<u>\$ 53,698</u>	<u>\$ 21,897</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, 2020**  
**(In Thousands)**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Water Enterprise Fund</b>	<b>Internal Service Funds</b>
Operating Revenues:		
Charges for services and goods	\$ 12,355	\$
Charges to other funds		38,138
Other		2,196
Total operating revenues	<u>12,355</u>	<u>40,334</u>
Operating Expenses:		
Cost of sales, services and administration	8,443	
Administration and general expense		1,591
Depreciation expense	1,879	
Claims incurred		32,749
Total operating expenses	<u>10,322</u>	<u>34,340</u>
Operating Income	<u>2,033</u>	<u>5,994</u>
Nonoperating Revenues (Expenses):		
Income on investments	8	986
Interest expense	(347)	
Net nonoperating revenues (expenses)	<u>(339)</u>	<u>986</u>
Change in Net Position Before Transfers	1,694	6,980
Transfers:		
Transfers out	<u>1,355</u>	
Change in Net Position	339	6,980
Total Net Position at Beginning of Year	<u>53,359</u>	<u>14,917</u>
Total Net Position at End of Year	<u>\$ 53,698</u>	<u>\$ 21,897</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, 2020**  
(In Thousands)

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
Cash Flows from Operating Activities:		
Cash received from charges to other funds	\$ 12,371	\$ 38,138
Cash received from customers		
Cash received from other operating activities		2,219
Cash paid for premiums and other operating expenses	(8,224)	(1,591)
Cash payments for claims made		(33,566)
Net cash provided by (used in) operating activities	<u>4,147</u>	<u>5,200</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	(620)	
Payment of loan obligation	(1,824)	
Interest paid on capital debt	(347)	
Net cash provided by (used in) capital financing activities	<u>(2,791)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	8	986
Actuarial claim reserve		217
Purchase of investments		(732)
Net cash provided by (used in) investing activities	<u>8</u>	<u>471</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9	5,671
Cash and Cash Equivalents at Beginning of Year	<u>3,804</u>	<u>12,185</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,813</u>	<u>\$ 17,856</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 2,033	\$ 5,994
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,879	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(30)	23
(Increase) decrease in other deferred asset	46	
(Increase) decrease in inventory	(37)	
Increase (decrease) in accounts payable and accrued expenses	256	(817)
Total adjustments	<u>2,114</u>	<u>(794)</u>
Net Cash Provided (Used in) by Operating Activities	<u>\$ 4,147</u>	<u>\$ 5,200</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, 2020**  
**(In Thousands)**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 5,839	\$ 694
Investments, at fair value:		
Mutual funds	122,702	
U.S. securities	7,252	
Corporate bonds	<u>5,846</u>	
<b>Total Assets</b>	<u>141,639</u>	<u>\$ 694</u>
<b>Liabilities:</b>		
Accounts payable		\$
Due to beneficiaries		<u>694</u>
<b>Total Liabilities</b>	<u>-</u>	<u>\$ 694</u>
<b>Net Position:</b>		
Restricted for Pension and Other Post Retirement Benefits	<u>\$ 141,639</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF NEW BRITAIN, CONNECTICUT**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(In Thousands)**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 11,232
Employee	247
Total contributions	<u>11,479</u>
Investment income:	
Net change in fair value of investments	3,611
Interest and dividends	1,933
Total investment income	<u>5,544</u>
Less investment expense	<u>(247)</u>
Net investment income	<u>5,297</u>
Total additions	<u>16,776</u>
Deductions:	
Benefits	22,839
Administration	61
Total deductions	<u>22,900</u>
Change in Net Position	(6,124)
Net Position at Beginning of Year	<u>147,763</u>
Net Position at End of Year	<u>\$ 141,639</u>

The accompanying notes are an integral part of the financial statements



**CITY OF NEW BRITAIN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**  
(amounts expressed in thousands)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

**Primary Government**

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

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

All department heads report directly to the Mayor.

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

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

The City 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, 2020**

(amounts expressed in thousands)

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Fund balance of the General Fund for fiscal year ended June 30, 2020 as reflected in BRRFOC's financial statements is \$1.2 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, 2020**

(amounts expressed in thousands)

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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, 2020**

(amounts expressed in thousands)

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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, 2020**  
(amounts expressed in thousands)

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**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:

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

#### **H. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows related to pension in the government-wide statement of net position. Advance property tax collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pensions 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 \$6,313. The City and Board of Education compensated absences are generally liquidated by the General Fund.

#### **J. Net Pension Liability**

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

#### **K. Net OPEB Liability**

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

#### **L. Long-Term Obligations**

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

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

#### **M. Fund Equity**

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

##### **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."

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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.



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

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

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

Additional appropriations for the fiscal year were \$9,000,000.

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

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

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

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

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**B. Deficit Fund Equity**

The following funds have a deficit fund balance/net position at June 30, 2020:

Nonmajor:	
Special Revenue Funds:	
Stanley Quarter Park	\$ 941
Cemetery	777
Local Capital Improvement	184
21st Century After School Grant	7
Exercise the Right Choice II	4
Centralized and Distribution Services	236
Federal Omnibus Appropriation	27
Highway Safety	309
Assistance to CCSU Police Department	10
ARRA Paving Program	94
Public Works Grant	604
Fireworks fund	9
Business Outreach Center	52
Emergency Shelter Grant	39
Redevelopment Commission	6
Brownfield Pilot	5
EFSP Program	13
Neighborhood Stabilization Program	53
Camp Schade	10
Internal Service Funds:	
Workers' Compensation	1,151

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>
Mayor's Office	\$ 526	\$ 580	\$ (54)
Police	22,215	22,663	(448)
Fire	16,840	17,840	(1,000)

**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."

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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*, \$89,085 of the City's bank balance of \$92,023 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	79,891
Uninsured and collateral held by the pledging bank's trust department, not in the City's name		<u>9,194</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>89,085</u></u>

The City had no cash equivalents at June 30, 2020.

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**Investments**

As of June 30, 2020, 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		\$ 12	\$ 12	\$	
U.S. Government Securities	Aaa	3,563	392	2,242	929
U.S. Government Backed Agencies	A1	3,689		1,232	2,457
Corporate Bonds	Aaa	1,534		983	551
Corporate Bonds	Aa1	543		543	
Corporate Bonds	Aa2	799		767	32
Corporate Bonds	Aa3	468	365	103	
Corporate Bonds	Baa1	2,806	1,218	1,496	92
Corporate Bonds	A3	2,853		2,768	85
Corporate Bonds	B1	30		30	
Corporate Bonds	B2	274		274	
Corporate Bonds	B3	151		151	
Corporate Bonds	Baa2	2,191	740	1,256	195
Corporate Bonds	Baa3	307		109	198
Corporate Bonds	Ba1	339		175	164
Corporate Bonds	Ba3	123		123	
Corporate Bonds	A1	2,578	366	2,094	118
Corporate Bonds	A2	1,861	370	1,406	85
Corporate Bonds	**	2,609		1,273	1,336
Total		26,730	\$ 3,463	\$ 17,025	\$ 6,242
Other investments:					
Mutual Funds		133,805			
Total Investments		\$ 160,535			

\*\* 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).

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The City has the following recurring fair value measurements as of June 30, 2020:

	<b>June 30, 2020</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
U.S. Government Securities	\$ 3,563	\$ 3,563	\$	\$
U.S. Government Backed Agencies	3,689		3,689	
Corporate Bonds	19,466	13,622	5,751	93,000
Mutual Funds	133,805	133,805		
Total investments by fair value level	160,523	\$ 150,990	\$ 9,440	\$ 93,000
Investments not included above:				
Certificate of deposit	12			
Total Investments	\$ 160,535			

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, 2020, 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.

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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	\$ 14,074	\$	\$	\$	\$	\$ 14,074
Taxes	16,452					16,452
Water					7,186	7,186
Sewer				8,241		8,241
Accounts	1,711			2,076		3,787
Intergovernmental		589	403	4,175		5,167
Housing loans				3,463		3,463
Gross receivables	<u>32,237</u>	<u>589</u>	<u>403</u>	<u>17,955</u>	<u>7,186</u>	<u>58,370</u>
Less allowance for uncollectibles	<u>(4,930)</u>				<u>(441)</u>	<u>(5,371)</u>
Net Total Receivables	<u>\$ 27,307</u>	<u>\$ 589</u>	<u>\$ 403</u>	<u>\$ 17,955</u>	<u>\$ 6,745</u>	<u>\$ 52,999</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>

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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 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>69,427</u>	<u>18,094</u>	<u>30,580</u>	<u>56,941</u>
Total capital assets not being depreciated	<u>82,844</u>	<u>18,094</u>	<u>30,580</u>	<u>70,358</u>
Capital assets being depreciated:				
Land improvements	33,867	8,525		42,392
Buildings	349,534	9,126		358,660
Machinery and equipment	21,472	1,552		23,024
Vehicles	26,257	1,594		27,851
Infrastructure	<u>161,428</u>	<u>11,721</u>		<u>173,149</u>
Total capital assets being depreciated	<u>592,558</u>	<u>32,518</u>	<u>-</u>	<u>625,076</u>
Less accumulated depreciation for:				
Land improvements	20,117	1,188		21,305
Buildings	155,961	6,405		162,366
Machinery and equipment	14,092	1,043		15,135
Vehicles	19,816	1,659		21,475
Infrastructure	<u>80,617</u>	<u>1,841</u>		<u>82,458</u>
Total accumulated depreciation	<u>290,603</u>	<u>12,136</u>	<u>-</u>	<u>302,739</u>
Total capital assets being depreciated, net	<u>301,955</u>	<u>20,382</u>	<u>-</u>	<u>322,337</u>
Governmental Activities Capital Assets, Net	<u>\$ 384,799</u>	<u>\$ 38,476</u>	<u>\$ 30,580</u>	<u>\$ 392,695</u>

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,977	\$	\$	\$ 1,977
Capital assets being depreciated:				
Source of supply	5,960	13		5,973
Pumping plant	2,826			2,826
Water treatment plant	2,862	6		2,868
Filter plant	57,307			57,307
Machinery and equipment	2,467	256		2,723
Transmission and distribution	14,723	305	21	15,007
General plant and administrative equipment	311	107	97	321
Total capital assets being depreciated	<u>86,456</u>	<u>687</u>	<u>118</u>	<u>87,025</u>
Less accumulated depreciation for:				
Source of supply	3,077	64		3,141
Pumping plant	2,015	41		2,056
Water treatment plant	995	102		1,097
Filter plant	16,931	1,147		18,078
Machinery and equipment	2,197	89		2,286
Transmission and distribution	9,400	432	21	9,811
General plant and administrative	207	5	31	181
Total accumulated depreciation	<u>34,822</u>	<u>1,880</u>	<u>52</u>	<u>36,650</u>
Total capital assets being depreciated, net	<u>51,634</u>	<u>(1,193)</u>	<u>66</u>	<u>50,375</u>
Business-Type Activities Capital Assets, Net	\$ <u>53,611</u>	\$ <u>(1,193)</u>	\$ <u>66</u>	\$ <u>52,352</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,304
Public safety	2,411
Public works	2,802
Health and social services	10
Parks and recreation	702
Education	<u>4,907</u>
Total Depreciation Expense - Governmental Activities	\$ <u>12,136</u>
Business-type activities:	
Enterprise Fund - Water Depreciation Expense	\$ <u>1,880</u>



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**Construction Commitments**

The City has active construction projects as of June 30, 2020. The following is a summary of capital projects as of June 30, 2020:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Remaining Commitment</u>
Public buildings	\$ 40,027	\$ 39,507	\$ 520
Schools	172,104	104,042	68,062
Infrastructure	97,082	88,527	8,555
Parks and recreation	22,557	22,442	115
Other	364,632	184,588	180,044

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances. The nonmajor governmental funds owes the General Fund \$4,170 due to temporary cash flows needs and will be paid by future grant receipts and contributions.

Interfund transfers:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 3,000	\$ 552	\$ 3,552
Capital Projects	2,963			2,963
Nonmajor Governmental Funds	1,160			1,160
Water Fund	1,355			1,355
Total Transfers In	\$ <u>5,478</u>	\$ <u>3,000</u>	\$ <u>552</u>	\$ <u>9,030</u>

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

**7. BOND ANTICIPATION NOTES AND INTERIM FINANCING**

The following bond anticipation notes and other interim financing obligations, which serve as temporary financing for certain Capital Projects, were outstanding at June 30, 2020:

<u>Description</u>	<u>Fund</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2018 Bond Anticipation Notes	Capital Projects Fund	2.25%	12/19/2019	\$ 15,000	\$	\$ 15,000	-

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**8. LONG-TERM DEBT**

A schedule of bond indebtedness as of June 30, 2020 is as follows:

	<b>Interest Rate %</b>	<b>Original Issue</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Balance Outstanding</b>
<b>Consolidated School District:</b>					
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	6,006
2016 Series A Refunding	0.82 - 5.0	9,082	1/28/2016	3/1/2025	1,456
2017 Series A Refunding	5.0	2,006	3/1/2017	3/1/2022	983
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
2019 Series	5.0	11,360	12/10/2019	9/1/2044	11,360
Subtotal		<u>87,367</u>			<u>49,664</u>
<b>Public Improvement:</b>					
2005 MERF Pension Bond	4.93	1,450	6/1/2005	6/5/2023	330
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	9,000
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	11,524
2016 Series A Refunding	5.0	35,463	3/1/2017	3/1/2022	5,684
2017 Series A Refunding	1.9-3.2	7,034	3/1/2017	3/1/2025	3,447
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
2018 Series B	3.75-5.25	23,320	12/19/2018	9/1/1938	23,320
2018 Series C	3.75-5.25	5,650	12/19/2018	9/1/1938	5,650
Subtotal		<u>334,518</u>			<u>204,545</u>
<b>General Obligation Pension Bonds:</b>					
1998 Series	5.70 - 6.54	<u>66,000</u>	2/1/1998	2/1/2021	<u>3,165</u>
<b>General Obligation Pension Bonds:</b>					
2015 Series A	1.901 - 4.034	<u>56,000</u>	4/15/2015	2/1/2026	<u>35,640</u>
Total Governmental Activities		<u>\$ 543,885</u>			<u>\$ 293,014</u>

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**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.

On December 19, 2019, the City issued \$11,360 of General Obligations Bonds with an interest rate of 5% over the next 25 years.

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 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	\$ 297,089	\$ 11,360	\$ 15,435	\$ 293,014	\$ 16,330
Bond premiums	16,338	835	2,219	14,954	
Bond discounts	<u>(372)</u>		<u>(53)</u>	<u>(319)</u>	
Total general obligation bonds	313,055	12,195	17,601	307,649	16,330
Notes Payable:					
Clean Water notes	2,029		349	1,680	349
Other liabilities:					
Net OPEB liability	71,166		1,712	69,454	
Compensated absences	6,363	138	188	6,313	2,022
Net pension liability	160,962	20,621		181,583	
MERS prior service costs	27		14	13	
Risk management	<u>14,848</u>	<u>218</u>		<u>15,066</u>	
Governmental Activities Long-Term Liabilities	<u>\$ 568,450</u>	<u>\$ 33,172</u>	<u>\$ 19,864</u>	<u>\$ 581,758</u>	<u>\$ 18,701</u>
Business-Type Activities:					
Bonds payable	\$ 2,016	\$	\$	\$ 2,016	\$
Notes payable:					
Clean Water notes	9,276		1,985	7,291	1,985
Compensated absences	<u>176</u>	<u>9</u>		<u>185</u>	<u>87</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 11,468</u>	<u>\$ 9</u>	<u>\$ 1,985</u>	<u>\$ 9,492</u>	<u>\$ 2,072</u>

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

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**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:

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 303,129	\$ 209,830	\$ 93,299
Schools	606,258	98,506	507,752
Sewers	505,215	27,054	478,161
Urban renewal	437,853		437,853
Pension deficit	404,172		404,172

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$943,008).

The indebtedness above includes \$58,586 of authorized bonds that were unissued as of June 30, 2020 for various projects.

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

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

**Overlapping Debt**

As explained in Note 1, the Mattabassett District has been empowered by the State of Connecticut to issue bonds in its own name. The Mattabassett District has outstanding an \$83,428 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 36.62% of the District debt, which is reflected as overlapping debt. As of June 30, 2020, \$57,113 has been drawn upon and \$20,915 represents the City's share of the IFO as of that date.

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The maturities relating to all bonds and serial notes of the governmental activities of the City as of June 30, 2020 are as follows:

<b>Year Ending June 30,</b>	<b>Principal General Obligation</b>	<b>Principal Clean Water Notes</b>	<b>Interest General Obligation</b>	<b>Interest Clean Water Notes</b>	<b>Total</b>
2021	\$ 16,330	\$ 349	\$ 8,092	\$ 30	\$ 24,801
2022	13,490	349	12,395	24	26,258
2023	14,085	300	11,802	17	26,204
2024	14,800	222	11,171	12	26,205
2025	14,955	98	10,493	8	25,554
2026	13,930	98	9,800	6	23,834
2027	14,180	72	9,165	4	23,421
2028	14,835	35	8,514	4	23,388
2029	15,470	35	7,826	3	23,334
2030	16,080	35	7,105	2	23,222
2031	16,950	35	6,349	1	23,335
2032	16,599	35	5,607	1	22,242
2033	17,140	17	4,831		21,988
2034	17,275		4,081		21,356
2035	16,155		3,306		19,461
2036	15,490		2,585		18,075
2037	16,260		1,875		18,135
2038	12,845		1,129		13,974
2039	12,270		576		12,846
2040	600		107		707
2041	615		89		704
2042	635		70		705
2043	655		51		706
2044	675		31		706
2045	695		10		705
<b>Total</b>	<b>\$ 293,014</b>	<b>\$ 1,680</b>	<b>\$ 127,060</b>	<b>\$ 112</b>	<b>\$ 421,866</b>

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The maturities relating to all bonds and serial notes of the business-type activities of the City as of June 30, 2020 are as follows:

<b>Year Ending June 30,</b>	<b>Principal Clean Water Notes</b>	<b>Revenue Bonds</b>	<b>Interest Clean Water Notes</b>	<b>Interest Revenue Bonds</b>	<b>Total</b>
2021	\$ 1,985	\$	\$ 147	\$ 92	\$ 2,224
2022	1,617		100	92	1,809
2023	1,351		66	92	1,509
2024	551		40	92	683
2025	151		35	93	279
2026	151		32	93	276
2027	151		29	83	263
2028	151		25	73	249
2029	151		22	64	237
2030	151		19	55	225
2031	151		16	46	213
2032	151		13	36	200
2033	151	421	10	76	658
2034	151	535	7	50	743
2035	151	530	4	25	710
2036	126	530	1		657
<b>Total</b>	<b>\$ 7,291</b>	<b>\$ 2,016</b>	<b>\$ 566</b>	<b>\$ 1,062</b>	<b>\$ 10,935</b>

As of June 30, 2020, the amount of defeased debt outstanding from the City's refundings was \$64,885. This amount is removed from the governmental activities column of the statement of net position.

## 9. 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.

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**Boiler and Machinery Exposures**

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

**Self-Insurance Plans**

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

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

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

The City's medical self-insurance program is administered by Blue Cross/Blue Shield. Under the medical plan, the City self-insures individual coverage up to a maximum of \$200 for major medical, and for hospitalization for the contract year July 1, 2016 to June 30, 2020. The City has obtained coverage that insures claims in excess of these amounts. When a claim is submitted, the administrator processes and pays the claims from funds accumulated by the City in an internal service fund. The internal service fund is funded annually by the City's General Fund and the Board of Education based upon information provided by the administrator using an actuarial method to determine such information. The charges by the internal service fund to the City's General Fund are to be adjusted over future contract years so that internal service fund revenues and expenses are approximately equal over such period of time. The City's medical claim liability of approximately \$780 is reported in the internal service fund at June 30, 2020 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

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

Settled claims have not exceeded the commercial coverages in any of the previous three years and there has not been a significant reduction in coverage in the year July 1, 2018 and June 30, 2020.

The changes in the claim reserves for the fiscal years ended June 30, 2020 and 2019 are as follows:

	<u>June 30, 2020</u>			<u>June 30, 2019</u>		
	<u>Medical</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Medical</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>
Beginning of year claim reserve	\$ 780	\$ 11,098	\$ 2,970	\$ 853	\$ 11,066	\$ 2,976
Current year incurred claims and changes in prior year estimate	13,487	3,269	187	10,519	2,742	14
Claim payments	<u>(13,665)</u>	<u>(2,902)</u>	<u>(158)</u>	<u>(10,592)</u>	<u>(2,710)</u>	<u>(20)</u>
End of Year Claim Reserve	<u>\$ 602</u>	<u>\$ 11,465</u>	<u>\$ 2,999</u>	<u>\$ 780</u>	<u>\$ 11,098</u>	<u>\$ 2,970</u>

## **10. 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.



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**Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Method Used to Value Investments**

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

**Plan Description and Benefits Provided**

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

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

	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits	215	167
Terminated employees entitled to benefits but not yet receiving them		
Active plan members	<u>28</u>	<u>31</u>
Total	<u>243</u>	<u>198</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, 2020, these required contributions were \$1,572 for the fire and police plans each. Benefits and contributions are established by the City and may be amended only by the City Council and Union negotiation.

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**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	3.50%
Total	<u>100.00%</u>

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for both Fire and Police, was 3.86% and 3.68%, 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, 2020 were as follows:

	<u>Fire</u>	<u>Police</u>
Total pension liability	\$ 102,313	\$ 88,137
Plan fiduciary net position	<u>74,629</u>	<u>58,970</u>
Total Net Pension Liability	<u>\$ 27,684</u>	<u>\$ 29,167</u>
Plan fiduciary net position as a percentage of the total pension liability	72.94%	66.91%

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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2018, 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%	3.75%
Investment rate of return	7.375%	7.375%

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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012-June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Core Fixed Income	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 7.25% for both fire and police plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Changes in Pension Liability**

<b>Fire Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of June 30, 2019	\$ 101,010	\$ 77,543	\$ 23,467
Changes for the year:			
Service cost	443		443
Interest on total pension liability	7,212		7,212
Changes of assumptions	1,122		1,122
Employer contributions		1,572	(1,572)
Member contributions		155	(155)
Net investment income (loss)		2,862	(2,862)
Benefit payments, including refund to employee contributions	(7,474)	(7,474)	
Administrative expenses		(29)	29
Net changes	1,303	(2,914)	4,217
Balances as of June 30, 2020	\$ 102,313	\$ 74,629	\$ 27,684

<b>Police Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of June 30, 2019	\$ 88,447	\$ 63,091	\$ 25,356
Changes for the year:			
Service cost	419		419
Interest on total pension liability	6,266		6,266
Changes in assumptions	950		950
Employer contributions		1,572	(1,572)
Member contributions		92	(92)
Net investment income (loss)		2,190	(2,190)
Benefit payments, including refund to employee contributions	(7,945)	(7,945)	
Administrative expenses		(30)	30
Net changes	(310)	(4,121)	3,811
Balances as of June 30, 2020	\$ 88,137	\$ 58,970	\$ 29,167

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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 7.25% 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**

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Fire Net Pension Liability	\$ 37,491	\$ 27,684	\$ 19,274

**Police Plan**

	<b>1% Decrease (6.255%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Police Net Pension Liability	\$ 37,469	\$ 29,167	\$ 22,052

**Schedules of Plan Net Position**

	<b>Firemen's Pension Fund</b>	<b>Police Benefit Fund</b>	<b>OPEB Trust Fund</b>	<b>Interfund Elimination</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,410	\$ 1,572	\$ 1,857	\$	\$ 5,839
Investments	72,219	57,398	6,183		135,800
Accounts receivable					-
Total Assets	<u>\$ 74,629</u>	<u>\$ 58,970</u>	<u>\$ 8,040</u>	<u>\$ -</u>	<u>\$ 141,639</u>
<b>LIABILITIES AND NET POSITION</b>					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ -
Due to other funds					-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Held in Trust for Pension Benefits	<u>74,629</u>	<u>58,970</u>	<u>8,040</u>		<u>141,639</u>
Total Liabilities and Net Position	<u>\$ 74,629</u>	<u>\$ 58,970</u>	<u>\$ 8,040</u>	<u>\$ -</u>	<u>\$ 141,639</u>

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	<b>Firemen's Pension Fund</b>	<b>Police Benefit Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:				
Contributions:				
Employer	\$ 1,572	\$ 1,572	\$ 8,088	\$ 11,232
Employee	155	92		247
Total contributions	<u>1,727</u>	<u>1,664</u>	<u>8,088</u>	<u>11,479</u>
Investment income:				
Net appreciation fair value of investments	2,302	1,062	247	3,611
Interest and dividends	752	1,181		1,933
Miscellaneous	(192)	(53)	(2)	(247)
Total investment income	<u>2,862</u>	<u>2,190</u>	<u>245</u>	<u>5,297</u>
Total additions	<u>4,589</u>	<u>3,854</u>	<u>8,333</u>	<u>16,776</u>
Deductions:				
Benefits	7,474	7,945	7,420	22,839
Administration	29	30	2	61
Total deductions	<u>7,503</u>	<u>7,975</u>	<u>7,422</u>	<u>22,900</u>
Net Increase (Decrease)	(2,914)	(4,121)	911	(6,124)
Net Position at Beginning of Year	<u>77,543</u>	<u>63,091</u>	<u>7,129</u>	<u>147,763</u>
Net Position at End of Year	<u>\$ 74,629</u>	<u>\$ 58,970</u>	<u>\$ 8,040</u>	<u>\$ 141,639</u>

## **B. Municipal Employees' Retirement System**

### **Plan Description**

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

### **Benefit Provisions**

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

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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.

**Early Retirement**

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

**Disability Retirement - Service Connected**

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

**Disability Retirement - Non-Service Connected**

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

**Pre-Retirement Death Benefit**

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

**Contributions**

*Member*

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

*Employer*

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

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

At June 30, 2020, the City reports a liability of \$123,270 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2019. The actuarial assumptions used in the June 30, 2019 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2020, the City's proportion was 11.94%. The increase in proportion from the prior year was 0.38%.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement period:

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

Mortality rates were based on:

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

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

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

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



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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	100.0%	

**Discount Rate**

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

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 179,148	\$ 123,270	\$ 75,397

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**Payable to MERS**

In addition, the City has also recorded \$13 as a long-term payable to MERS at June 30, 2020. This amount represents prior service costs calculated when the City entered the plan.

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

For the year ended June 30, 2020, the City recognized pension expense for the following plans:

	<b>Pension Expense</b>
Police Pension Plan	\$ 4,308
Fire Pension Plan	4,542
MERS	<u>32,944</u>
Total	<u>\$ 41,794</u>

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Police Plan</b>	<b>Fire Plan</b>	<b>MERS</b>	<b>Total</b>	<b>MERS</b>
	<b>Deferred Outflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Differences between expected and actual experience	\$	\$	\$ 10,568	\$ 10,568	\$ (1,927)
City contributions after the measurement date			8,462	8,462	
Change in assumptions			31,818	31,818	
City's employer change in proportional share			1,832	1,832	(3,178)
Net difference between projected and actual earning on pension plan investments	<u>1,792</u>	<u>2,497</u>	<u>5,218</u>	<u>9,507</u>	
Total Deferred Outflows of Resources	<u>\$ 1,792</u>	<u>\$ 2,497</u>	<u>\$ 57,898</u>	<u>\$ 62,187</u>	<u>\$ (5,105)</u>

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

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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>
2021	\$ (93)	\$ 231	\$ 16,488	\$ 16,626
2022	646	812	11,858	13,316
2023	793	925	14,244	15,962
2024	446	529	1,741	2,716

**D. Connecticut Teachers Retirement System - Pension**

**Plan Description**

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$23,056 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

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

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

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

At June 30, 2020, 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>304,596</u>
Total	\$	<u><u>304,596</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the City recognized pension expense and revenue of \$37,410 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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, 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.

The actuarial assumptions used in the June 30, 2018 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%.

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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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

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

### Discount Rate

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

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

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

### Other Information

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

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**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, 2020, these required contributions totaled \$257. Benefits and contributions are established by the City and may be amended only by the City Council and Union negotiation.

**Funding Policy and Progress**

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

**Changes in Total Pension Liability**

The total pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability as of June 30, 2020 was \$1,462. The changes in the liability during the fiscal year are as follows:

<b>Elected Officials and Pre-72 Police and Fire Employees Plan</b>	
	<b>Increase (Decrease) Total Pension Liability</b>
Balances as of June 30, 2019	\$ 1,584
Changes for the year:	
Interest	51
Effect of assumptions changes and inputs	84
Benefit payments, including refund to employee contributions	(257)
Balances as of June 30, 2020	\$ 1,462

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**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 3.50% as well as what the City's pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
EOPLAN Pension Liability	\$ 1,534	\$ 1,462	\$ 1,396

For the year ended June 30, 2020, the City recognized pension expense of \$135. There were no deferred inflows or deferred inflows related to this plan.

**F. Post Employment Benefits**

**Summary of Significant Accounting Policies**

**Plan Description**

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

**Basis of Accounting**

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

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



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Management of the City's Other Post Employment Benefit Plan is vested with the collective members of the Common Council. At July 1, 2018, plan membership consisted of the following:

Active employees	1,578
Retirees	736
Beneficiaries and Spouses	<u>118</u>
Total	<u><u>2,432</u></u>

**Funding Policy**

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

**City Employees**

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

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

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

**Board of Education**

Teachers - Pre-65 is 100% retiree paid.

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

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

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

**Police**

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

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

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

**Fire**

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

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

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

**Investments**

**Investment Policy**

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

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**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the City**

The City's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the City at June 30, 2020 were as follows:

Total OPEB Liability	\$	77,494
Plan fiduciary net position		<u>8,040</u>
Net OPEB Liability	\$	<u><u>69,454</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	10.37%
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**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, 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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - April 30, 2017.

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Core Fixed Income	45.00%	2.40%
U.S. Large Caps	40.00%	4.33%
U.S. Small Caps	5.00%	5.56%
Foreign Developed Equity	10.00%	5.55%
Total	100.00%	

**Discount Rate**

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

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

**Changes in the Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the City at June 30, 2020 were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of June 30, 2019	\$ 78,295	\$ 7,129	\$ 71,166
Changes for the year:			
Service cost	1,659		1,659
Interest on total OPEB liability	4,960		4,960
Differences between expected and actual experience			
Employer contributions		8,088	(8,088)
Net investment income (loss)		245	(245)
Benefit payments	(7,420)	(7,420)	
Administrative expenses		(2)	2
Net changes	(801)	911	(1,712)
Balances as of June 30, 2020	\$ 77,494	\$ 8,040	\$ 69,454

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

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

	<b>1% Decrease (5.5%)</b>	<b>Current Discount Rate (6.5%)</b>	<b>1% Increase (7.5%)</b>
Net OPEB Liability	\$ 76,486	\$ 69,454	\$ 63,411

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

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

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

	<b>1% Decrease (4.20% Decreasing to 2.0%)</b>	<b>Healthcare Cost Trend Rates (5.20% Decreasing to 3.0%)</b>	<b>1% Increase (6.20% Decreasing to 4.00%)</b>
Net OPEB Liability	\$ 61,631	\$ 69,454	\$ 78,758

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$8,769. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 15,265	\$
Net difference between projected and actual earnings	297	
Total	<u>\$ 15,562</u>	<u>\$ -</u>

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

**Year Ending June 30**

2021	\$ 2,633
2022	2,633
2023	2,616
2024	2,592
2025	2,544
Thereafter	2,544

## **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](http://www.ct.gov/trb).

### **Benefit Provisions**

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

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

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

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

### *Survivor Health Care Coverage*

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

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

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**Eligibility**

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

*Credited Service*

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

*Normal Retirement*

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

*Early Retirement*

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

*Proratable Retirement*

Age 60 with 10 years of Credited Service.

*Disability Retirement*

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

*Termination of Employment*

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$630 and is recognized in the General Fund as intergovernmental revenues and education expenditures.



**CITY OF NEW BRITAIN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**  
(amounts expressed in thousands)

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*Employees/Retirees*

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

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

At June 30, 2020, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		<u>47,503</u>
Total	\$	<u><u>47,503</u></u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2020, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the City recognized OPEB expenses (revenues) of \$(4,106) in Exhibit II.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

**CITY OF NEW BRITAIN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**  
(amounts expressed in thousands)

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The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. 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 2019 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 City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

**Other Information**

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

**CITY OF NEW BRITAIN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**  
(amounts expressed in thousands)

**11. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2020 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	\$	\$	\$	200	\$ 200
Trust purposes				3,095	3,095
Restricted for:					
Grants			3,354	13,887	17,241
Capital improvements		20,749			20,749
Committed to:					
General government activities				224	224
Capital improvements		10,597			10,597
Public safety programs				104	104
Sewer maintenance				2,330	2,330
Social service programs				53	53
Recreational programs				416	416
Educational programs				1,146	1,146
Assigned to:					
Subsequent budget	2,000				2,000
Board of Education	500				500
Tax Stabilization	2,000				2,000
Unassigned	<u>17,777</u>	<u>(25,846)</u>		<u>(3,380)</u>	<u>(11,449)</u>
Total Fund Balances	\$ <u>22,277</u>	\$ <u>5,500</u>	\$ <u>3,354</u>	\$ <u>18,075</u>	\$ <u>49,206</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, 2020, the City has seven agreements with vendors under this program. The amount of revenue reduced during the fiscal year for this abatement was \$582.

### **13. CORONAVIRUS (COVID-19)**

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

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

### **14. 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, 2020**  
**(In Thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Property taxes:				
Current Taxes	\$ 128,313	\$ 128,507	\$ 128,513	\$ 6
Prior Year Levy	3,400	3,400	4,385	985
Interest and liens	1,325	2,063	2,097	34
Supplemental Motor Vehicle	1,450	1,647	1,697	50
Total property taxes	<u>134,488</u>	<u>135,617</u>	<u>136,692</u>	<u>1,075</u>
Intergovernmental revenues (State):				
Special Education				-
Education Equalization	72,311	72,484	72,484	-
BOE Misc	36	45	45	-
State Infraction Distribution	20	15	15	-
Town Aid Road Fund	767	767	767	-
Veterans Exemption Reimbursement	23	21	21	-
Disability Exemption	7	7	7	-
State Property Tax Relief	2,996	2,996	2,996	-
Telephone Access Line Tax Relief	96	101	101	-
Civil Defense	27	36	36	-
Off Track Betting	126	94	94	-
State Pilot Private Tax Exempt	2,067	2,067	2,067	-
State Pilot Model Housing		132	132	-
Distressed Municipality	135	105	105	-
Disability Exemption				-
MRSA- MV Property Tax Grant	1,771	1,771	1,771	-
Interest Subsidy	431	208	208	-
MRSA - Select Pilot	2,176	2,176	2,176	-
Municipal Stabilization	1,384	2,148	2,148	-
Legalized Gaming Distribution	1,981	1,981	1,981	-
COVID Grants			253	253
Dial a Ride			3	3
Total intergovernmental revenues	<u>86,354</u>	<u>87,154</u>	<u>87,410</u>	<u>256</u>
Licenses and permits:				
Building Structures and Equipment	664	1,170	1,170	-
All other license	446	581	581	-
Protection	71	233	233	-
Health	95	48	48	-
Disposal	9	9	9	-
Planning and Zoning	8	9	9	-
Total licenses and permits	<u>1,293</u>	<u>2,050</u>	<u>2,050</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, 2020**  
**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for services:				
Town Clerk	\$ 1,135	\$ 1,231	\$ 1,217	\$ (14)
Recreation	554	273	210	(63)
Public Safety	2,022	2,115	3,259	1,144
Parking tickets	1,357	1,165	1,160	(5)
Property Management	42	42	42	-
Public Works - Project Management	95	180	180	-
Health and Welfare	32	36	36	-
Public Works	584	617	617	-
Parking tickets	445	405	405	-
Senior Center	60	8	8	-
Water Overhead	263	263	263	-
Legal	56	50	50	-
Other	5	6	6	-
Total charges for services	<u>6,650</u>	<u>6,391</u>	<u>7,453</u>	<u>1,062</u>
Total licenses, permits and charges for services	<u>7,943</u>	<u>8,441</u>	<u>9,503</u>	<u>1,062</u>
Other revenue:				
Investment income	250	250	830	580
Miscellaneous	85	85	4,192	4,107
Sale of real estate property	2,500	73	73	-
BAN/Bond premiums	3,548	3,548	835	(2,713)
Fund Balance	2,043	11,043		(11,043)
Total other revenue	<u>8,426</u>	<u>14,999</u>	<u>5,930</u>	<u>(9,069)</u>
Total revenues	237,211	246,211	239,535	(6,676)
Other Financing Sources:				
Transfers in	<u>5,300</u>	<u>5,300</u>	<u>5,478</u>	<u>178</u>
Total Budgeted Revenues and Transfers	<u>\$ 242,511</u>	<u>\$ 251,511</u>	245,013	<u>\$ (6,498)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut pension expense to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			23,056	
State of Connecticut OPEB expense (revenue) to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			630	
Amounts netted for budgetary purposes - grant closeouts			232	
Premium on refunding bonds				
Net effect of revenues for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			<u>434</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>\$ 269,365</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, 2020**  
**(In Thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
General Government:				
Legislative	\$ 163	\$ 159	\$ 159	\$ -
Boards and Commissions	1			-
Judicial	119	112	112	-
Elections	444	362	362	-
Mayor's Office	550	526	526	-
Planning and Zoning	227	229	229	-
Finance	3,646	3,698	3,683	15
Recording and Reporting	576	582	582	-
Legal	860	874	688	186
Central Services	25	12	12	-
Total	<u>6,611</u>	<u>6,554</u>	<u>6,353</u>	<u>201</u>
Public Safety:				
Police	21,467	23,215	22,663	552
Fire	16,719	17,840	17,840	-
Lighting	930	985	985	-
Building	716	673	673	-
Civil Preparedness	8	3	3	-
Central Emergency Dispatch	2,549	2,453	2,453	-
Total	<u>42,389</u>	<u>45,169</u>	<u>44,617</u>	<u>552</u>
Public Works:				
Administration	258	281	281	-
Street Services	4,522	4,045	4,008	37
Public Buildings	2,968	2,899	2,899	-
Capital Project	794	728	728	-
Signals and Control	301	281	281	-
Waste Disposal	4,298	4,137	4,137	-
Total	<u>13,141</u>	<u>12,371</u>	<u>12,334</u>	<u>37</u>
Parks and Recreation:				
Administration	4	3	3	-
Forestry	174	173	173	-
Horticulture	254	258	258	-
Maintenance	2,139	1,936	1,936	-
Special Projects	3	3	3	-
Recreation Department	1,466	1,470	1,391	79
Willow Brook Sports Complex	133	76	76	-
City Supported Agencies	3,387	3,487	3,487	-
Cultural Organizations	84	87	87	-
Total	<u>7,645</u>	<u>7,493</u>	<u>7,414</u>	<u>79</u>

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**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, 2020**  
**(In Thousands)**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Health and Social Services:				
Rights and Opportunities Commission	\$ 76	\$ 76	\$ 76	\$ -
Civil Service Commission	234	245	245	-
Nursing	348	344	344	-
Environmental Control	467	471	471	-
Administration	170	171	171	-
Social Services	4	1	1	-
Senior Center	508	530	530	-
Handicap Services	71	70	70	-
Total	<u>1,878</u>	<u>1,908</u>	<u>1,908</u>	<u>-</u>
General Administration:				
Pension and Benefit Contributions	17,136	21,173	21,044	129
Contingency	<u>1,805</u>	<u>1,795</u>	<u>21,044</u>	<u>1,795</u>
Total	<u>18,941</u>	<u>22,968</u>	<u>21,044</u>	<u>1,924</u>
Education	<u>126,473</u>	<u>126,497</u>	<u>126,238</u>	<u>259</u>
Debt Service	<u>24,586</u>	<u>24,730</u>	<u>24,210</u>	<u>520</u>
Total Expenditures	241,664	247,690	244,118	3,572
Other Financing Uses:				
Transfers Out	<u>847</u>	<u>3,821</u>	<u>3,697</u>	<u>124</u>
Total	\$ <u>242,511</u>	\$ <u>251,511</u>	247,815	\$ <u>3,696</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut pension expense to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted			23,056	
State of Connecticut OPEB expense (revenue) to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted			630	
Amounts netted for budgetary purposes - grant closeouts			232	
Payment to refunded bond escrow agent				
Net effect of expenditures for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			<u>351</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>272,084</u>	

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 419	\$ 422	\$ 561	\$ 520	\$ 684	\$ 636	\$ 868
Interest	6,266	6,203	6,359	6,258	6,293	6,295	5,996
Differences between expected and actual experience		1,310		1,928		4,846	
Changes of assumptions	950	(1,605)	2,600				
Benefit payments, including refunds of member contributions	(7,945)	(7,806)	(7,518)	(7,281)	(7,184)	(6,945)	(8,010)
Net change in total pension liability	(310)	(1,476)	2,002	1,425	(207)	4,832	(1,146)
Total pension liability - beginning	88,447	89,923	87,921	86,496	86,703	81,871	83,017
Total pension liability - ending	<u>88,137</u>	<u>88,447</u>	<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	1,572	3,627	1,419	994	1,350	1,059	1,058
Contributions - member	92	121	151	170	180	208	255
Net investment income (loss)	2,190	2,930	5,379	8,179	(1,213)	1,803	10,805
Benefit payments, including refunds of member contributions	(7,945)	(7,806)	(7,518)	(7,281)	(7,184)	(6,945)	(6,666)
Administrative expense	(30)	(42)	(24)	(101)	(112)	(34)	(149)
Net change in plan fiduciary net position	(4,121)	(1,170)	(593)	1,961	(6,979)	(3,909)	5,303
Plan fiduciary net position - beginning	63,091	64,261	64,854	62,893	69,872	73,781	68,478
Plan fiduciary net position - ending	<u>58,970</u>	<u>63,091</u>	<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>\$ 29,167</u>	<u>\$ 25,356</u>	<u>\$ 25,662</u>	<u>\$ 23,067</u>	<u>\$ 23,603</u>	<u>\$ 16,831</u>	<u>\$ 8,090</u>
Plan fiduciary net position as a percentage of the total pension liability	66.91%	71.33%	71.46%	73.76%	72.71%	80.59%	90.12%
Covered payroll	\$ 3,158	\$ 3,158	\$ 2,894	\$ 3,101	\$ 3,891	\$ 3,891	\$ 4,576
Net pension liability as a percentage of covered payroll	923.59%	802.91%	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 SEVEN FISCAL YEARS**  
**FIRE**  
**(In Thousands)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 443	\$ 476	\$ 550	\$ 512	\$ 715	\$ 665	\$ 759
Interest	7,212	7,213	7,361	7,246	7,159	7,086	6,263
Differences between expected and actual experience		(2,174)		442		11,390	
Changes of assumptions	1,122	(3,990)	5,225				
Benefit payments, including refunds of member contributions	<u>(7,474)</u>	<u>(7,508)</u>	<u>(7,356)</u>	<u>(6,057)</u>	<u>(6,965)</u>	<u>(6,685)</u>	<u>(8,001)</u>
Net change in total pension liability	1,303	(5,983)	5,780	2,143	909	12,456	(979)
Total pension liability - beginning	<u>101,010</u>	<u>106,993</u>	<u>101,213</u>	<u>99,070</u>	<u>98,161</u>	<u>85,705</u>	<u>86,684</u>
Total pension liability - ending	<u>102,313</u>	<u>101,010</u>	<u>106,993</u>	<u>101,213</u>	<u>99,070</u>	<u>98,161</u>	<u>85,705</u>
Plan fiduciary net position:							
Contributions - employer	1,572	3,707	1,459	1,238	888	531	532
Contributions - member	155	176	192	208	207	244	289
Net investment income (loss)	2,862	3,694	6,132	8,247	(84)	1,887	11,809
Benefit payments, including refunds of member contributions	<u>(7,474)</u>	<u>(7,508)</u>	<u>(7,356)</u>	<u>(6,056)</u>	<u>(6,965)</u>	<u>(6,685)</u>	<u>(6,430)</u>
Administrative expense	<u>(29)</u>	<u>(29)</u>	<u>(24)</u>	<u>(161)</u>	<u>(230)</u>	<u>(34)</u>	<u>(72)</u>
Net change in plan fiduciary net position	(2,914)	40	403	3,476	(6,184)	(4,057)	6,128
Plan fiduciary net position - beginning	<u>77,543</u>	<u>77,503</u>	<u>77,100</u>	<u>73,624</u>	<u>79,808</u>	<u>83,865</u>	<u>77,737</u>
Plan fiduciary net position - ending	<u>74,629</u>	<u>77,543</u>	<u>77,503</u>	<u>77,100</u>	<u>73,624</u>	<u>79,808</u>	<u>83,865</u>
Net Pension Liability - Ending	<u>27,684</u>	<u>\$ 23,467</u>	<u>\$ 29,490</u>	<u>\$ 24,113</u>	<u>\$ 25,446</u>	<u>\$ 18,353</u>	<u>\$ 1,840</u>
Plan fiduciary net position as a percentage of the total pension liability	72.94%	76.77%	72.44%	76.18%	74.32%	81.30%	97.85%
Covered payroll	3,324	\$ 3,324	\$ 3,083	\$ 3,268	\$ 4,105	\$ 4,105	\$ 3,662
Net pension liability as a percentage of covered-employee payroll	832.85%	705.99%	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)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 2,378	\$ 1,913	\$ 1,913	\$ 1,413	\$ 1,413	\$ 1,594	\$ 1,594	\$ 1,054	\$ 1,054	\$ 743
Contributions in relation to the actuarially determined contribution	<u>1,572</u>	<u>3,627</u>	<u>1,419</u>	<u>994</u>	<u>1,360</u>	<u>1,059</u>	<u>1,059</u>	<u>1,054</u>	<u>743</u>	<u>749</u>
Contribution Deficiency (Excess)	<u>\$ 806</u>	<u>\$ (1,714)</u>	<u>\$ 494</u>	<u>\$ 419</u>	<u>\$ 53</u>	<u>\$ 535</u>	<u>\$ 535</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ (6)</u>
Covered payroll	\$ 3,158	\$ 3,158	\$ 3,101	\$ N/A	\$ 3,891	\$ N/A	\$ 4,576	\$ N/A	\$ 5,866	\$ N/A
Contributions as a percentage of covered-employee payroll	49.78%	114.85%	45.76%	N/A	34.95%	N/A	23.14%	N/A	12.67%	N/A

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	17 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.75%
Investment rate of return	7.375%
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 2,231	\$ 2,035	\$ 2,035	\$ 1,459	\$ 1,459	\$ 1,138	\$ 1,138	\$ 531	\$ 531	\$ 450
Contributions in relation to the actuarially determined contribution	<u>1,572</u>	<u>3,707</u>	<u>1,459</u>	<u>1,238</u>	<u>888</u>	<u>531</u>	<u>531</u>	<u>531</u>	<u>450</u>	<u>450</u>
Contribution Deficiency (Excess)	<u>\$ 659</u>	<u>\$ (1,672)</u>	<u>\$ 576</u>	<u>\$ 221</u>	<u>\$ 571</u>	<u>\$ 607</u>	<u>\$ 607</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ -</u>
Covered payroll	\$ 3,324	\$ 3,324	\$ 3,268	\$ N/A	\$ 4,105	\$ N/A	\$ 3,662	\$ N/A	\$ 4,853	\$ N/A
Contributions as a percentage of covered-employee payroll	47.29%	111.52%	44.65%	N/A	21.63%	N/A	14.50%	N/A	9.27%	N/A

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2020

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	17 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.375%
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 SEVEN FISCAL YEARS**  
**(In Thousands)**

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

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

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

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

**Notes to Schedule**

Changes in benefit terms	<p>HB 7424 made the following provision changes:</p> <ul style="list-style-type: none"> <li>- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.</li> <li>- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.</li> </ul>
Changes of assumptions	<p>HB 7424 made the following assumption changes:</p> <ul style="list-style-type: none"> <li>- Reduce the inflation assumption from 2.75% to 2.50%.</li> <li>- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.</li> <li>- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.</li> <li>- Phase in to a level dollar amortization method for the June 30, 2024 valuation.</li> </ul>
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed 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 SIX FISCAL YEARS**  
**(In Thousands)**

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

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**  
**(in Thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 8,462	\$ 8,622	\$ 8,345	\$ 7,266	\$ 6,949	\$ 5,989	\$ 5,113	\$ 4,886	\$ 4,916	\$ 4,344
Contributions in relation to the actuarially determined contribution	8,462	8,622	8,345	7,266	6,949	5,989	5,113	4,886	4,916	4,344
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 64,920	\$ 64,163	\$ 60,393	\$ 58,700	\$ 56,306	\$ 50,977	\$ 40,296	\$ 48,559	\$ 49,978	\$ 49,448
Contributions as a percentage of covered payroll	13.03%	13.44%	13.82%	12.38%	12.34%	11.75%	12.69%	10.06%	9.84%	8.78%

**Notes to Schedule**

Valuation date: June 30, 2019  
Measurement date: June 30, 2019  
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	23 years
Asset valuation method	5-year smoothed market (20% write up)
Inflation	2.50%
Salary increases	3.5% - 10%, including inflation
Investment rate of return	7%, 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.

In 2018, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2018 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2017

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 1,659	\$ 1,603	\$ 1,244	\$ 1,169
Interest	4,960	3,679	3,640	3,658
Changes of benefit terms				
Differences between expected and actual experience		20,353		
Changes of assumptions				
Benefit payments, including refunds of member contributions	(7,420)	(4,598)	(4,681)	(5,643)
Net change in total pension liability	(801)	21,037	203	(816)
Total pension liability - beginning	78,295	57,258	57,055	57,871
Total pension liability - ending	77,494	78,295	57,258	57,055
Plan fiduciary net position:				
Contributions - employer	8,088	5,309	5,349	6,143
Net investment income	245	299	278	353
Benefit payments, including refunds of member contributions	(7,420)	(4,598)	(4,681)	(5,643)
Administrative expense	(2)	(6)	(6)	(4)
Net change in plan fiduciary net position	911	1,004	940	849
Plan fiduciary net position - beginning	7,129	6,125	5,185	4,336
Plan fiduciary net position - ending	8,040	7,129	6,125	5,185
Net Pension Liability - Ending	\$ <u>69,454</u>	\$ <u>71,166</u>	\$ <u>51,133</u>	\$ <u>51,870</u>
Plan fiduciary net position as a percentage of the total pension liability	10.37%	9.11%	10.70%	9.09%
Covered payroll	\$ 120,589	\$ 120,589	\$ 129,000	\$ 115,536
Net pension liability as a percentage of covered-employee payroll	57.60%	59.02%	39.64%	44.90%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 6,755	\$ 4,965	\$ 4,784	\$ 6,345	\$ 6,052	\$ 6,671	\$ 6,360	\$ 4,830	\$ 4,594	\$ 4,191
Contributions in relation to the actuarially determined contribution	<u>8,088</u>	<u>5,309</u>	<u>5,349</u>	<u>6,143</u>	<u>5,892</u>	<u>6,240</u>	<u>6,291</u>	<u>4,721</u>	<u>4,410</u>	<u>3,744</u>
Contribution Deficiency (Excess)	<u>\$ (1,333)</u>	<u>\$ (344)</u>	<u>\$ (565)</u>	<u>\$ 202</u>	<u>\$ 160</u>	<u>\$ 431</u>	<u>\$ 69</u>	<u>\$ 109</u>	<u>\$ 184</u>	<u>\$ 447</u>
Covered payroll	\$ 120,589	\$ 120,589	\$ 129,000	\$ 115,536	\$ 104,482	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	4.15%	5.32%	5.64%	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2020

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 FOUR FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense:	3.44%	4.84%	5.36%	8.12%

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

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

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

**Notes to Schedule**

Valuation date	June 30,2018
Measurement date	June 30,2020
Discount Rate	2.21%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 257	\$ 293	\$ 285	\$ 311	\$ 105	\$ 366	\$ 465	\$ 532	\$ 543	\$ 597
Contributions in relation to the actuarially determined contribution	<u>257</u>	<u>293</u>	<u>285</u>	<u>311</u>	<u>105</u>	<u>366</u>	<u>465</u>	<u>532</u>	<u>543</u>	<u>597</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	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule**

Valuation date: June 30, 2018  
Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

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

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

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

**Notes to Schedule**

Changes in benefit terms

The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.

Changes of assumptions

Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019.

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019.

The expected rate of inflation was decreased, and the real wage growth assumption was increased.

Actuarial cost method

Entry age

Amortization method

Level percent of payroll over an open period

Remaining amortization period

30 years

Asset valuation method

Market value of assets

Investment rate of return

3.00%, net of investment related expense including price inflation

Price inflation

2.75%

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, 2020 AND 2019**  
**(In Thousands)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 26,574	\$ 41,349
Restricted Cash	5,501	
Property taxes receivable, net of allowance for uncollectible accounts (\$3,895 for 2020 and 2019)	11,522	10,679
Accounts receivable, net of allowance for uncollectible accounts (\$1,035 for 2020 and 2019)	15,785	13,022
Due from other funds	<u>4,170</u>	
Total Assets	\$ <u>63,552</u>	\$ <u>65,050</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ <u>16,355</u>	\$ <u>17,526</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	24,920	21,889
Advanced property tax collections		639
Total deferred inflows of resources	<u>24,920</u>	<u>22,528</u>
Fund balance:		
Assigned	4,500	2,143
Unassigned	<u>17,777</u>	<u>22,853</u>
Total fund balance	<u>22,277</u>	<u>24,996</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>63,552</u>	\$ <u>65,050</u>

**CITY OF NEW BRITAIN, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF TAX COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2020  
(In Thousands)**

Grand List Year	Mill Rate	Uncollected Taxes July 1, 2019	Net Lawful		Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2020
			Additions	Deductions		Taxes	Interest and Lien Fees	Total	
2018		\$	\$ 134,451	* \$	\$ 134,451	\$ 129,604	\$ 751	\$ 130,355	\$ 4,847
2017	50.5	4,689			4,689	2,475	650	3,125	2,214
2016	50.50	2,277			2,277	799	357	1,156	1,478
2015	49.00	1,487			1,487	297	204	501	1,190
2014	49.00	1,140			1,140	89	106	195	1,051
2013	44.12	964			964	91	106	197	873
2012	36.63	702			702	3	44	47	699
2011	36.63	548			548	(22)	31	9	570
2010	36.63	477			477	(19)	27	8	496
2009	34.98	494			494	8	18	26	486
2008	34.98	472			472	6	16	22	466
2007	45.89	491			491	9	24	33	482
2006	45.88	586			586	11	30	41	575
2005	45.89	552			552	8	25	33	544
2004	46.90	489			489	8	25	33	481
Total		\$ 15,368	\$ 134,451	\$	\$ 149,819	\$ 133,367	\$ 2,414	135,781	\$ 16,452

\* Includes motor vehicle supplement

Property taxes receivable considered available:

June 30, 2019 (970)

June 30, 2020 936

Total Collections \$ 135,747



## **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:

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
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 <sup>st</sup> 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 <sup>st</sup> 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

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

**CITY OF NEW BRITAIN, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020  
(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	\$	\$ 102	\$	\$ 576	\$	\$	\$	\$ 73	\$	\$ 9
Accounts receivable				8,241						
Loans receivable										
Due from other governments							1,380			
Inventory										
Total Assets	\$ -	\$ 102	\$ -	\$ 8,817	\$ -	\$ -	\$ 1,380	\$ 73	\$ -	\$ 9
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 108	\$ 3	\$ 34	\$ 47	\$	\$	\$ 403	\$	\$	\$ 4
Due to other funds	833		743				1,161			
Total liabilities	941	3	777	47	-	-	1,564	-	-	4
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable				6,440						
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	6,440	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted										
Committed		99		2,330				73		5
Unassigned	(941)		(777)				(184)			
Total fund balances	(941)	99	(777)	2,330	-	-	(184)	73	-	5
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 102	\$ -	\$ 8,817	\$ -	\$ -	\$ 1,380	\$ 73	\$ -	\$ 9

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**CITY OF NEW BRITAIN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**  
**(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	System of Care Grant
ASSETS										
Cash and cash equivalents	\$ 5	\$ 22	\$	\$	8	\$ 2	\$ 7	\$	\$ 28	\$
Accounts receivable										
Loans receivable										
Due from other governments										
Inventory										
Total Assets	\$ 5	\$ 22	\$ -	\$ -	\$ 8	\$ 2	\$ 7	\$ -	\$ 28	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$	5	7	\$	2	\$	6	\$
Due to other funds				2		6	4		9	
Total liabilities	-	-	-	7	7	6	6	-	15	-
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted		22			1		1		13	
Committed	5									
Unassigned				(7)		(4)				
Total fund balances	5	22	-	(7)	1	(4)	1	-	13	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5	\$ 22	\$ -	\$ -	\$ 8	\$ 2	\$ 7	\$ -	\$ 28	\$ -

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**CITY OF NEW BRITAIN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020  
(In Thousands)**

	Special Revenue Funds									
	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	STD Control Program
<b>ASSETS</b>										
Cash and cash equivalents	\$ 186	\$	\$	\$	\$ 2	\$ 7	\$ 2	\$	\$ 626	\$ 3
Accounts receivable		60						46		
Loans receivable										
Due from other governments										
Inventory										
<b>Total Assets</b>	<u>\$ 186</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 7</u>	<u>\$ 2</u>	<u>\$ 46</u>	<u>\$ 626</u>	<u>\$ 3</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable	\$ 35	\$ 10	\$	\$	\$	\$	\$	\$ 10	\$ 36	\$
Due to other funds		28			238			63		
Total liabilities	<u>35</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>36</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>										
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>
<b>Fund Balances:</b>										
Nonspendable										
Restricted		22					2			3
Committed	151					7			590	
Unassigned					(236)			(27)		
Total fund balances	<u>151</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>(236)</u>	<u>7</u>	<u>2</u>	<u>(27)</u>	<u>590</u>	<u>3</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 186</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 7</u>	<u>\$ 2</u>	<u>\$ 46</u>	<u>\$ 626</u>	<u>\$ 3</u>

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**CITY OF NEW BRITAIN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020  
(In Thousands)**

	Special Revenue Funds									
	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day	Assistance to CCSU Police Department
<b>ASSETS</b>										
Cash and cash equivalents	\$ 251	\$ 43	\$ 39	\$	\$ 702	\$ 39	\$ 928	\$ 69	\$ 31	\$
Accounts receivable	1					7				
Loans receivable										
Due from other governments										
Inventory										
Total Assets	<u>\$ 252</u>	<u>\$ 43</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 702</u>	<u>\$ 46</u>	<u>\$ 928</u>	<u>\$ 69</u>	<u>\$ 31</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$	\$	\$ 1	\$	\$ 42	\$	\$	\$	\$ 1	\$ 10
Due to other funds				309						
Total liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>309</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>10</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			38		660		928	69		
Committed	252	43				46			30	
Unassigned				(309)						(10)
Total fund balances	<u>252</u>	<u>43</u>	<u>38</u>	<u>(309)</u>	<u>660</u>	<u>46</u>	<u>928</u>	<u>69</u>	<u>30</u>	<u>(10)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 252</u>	<u>\$ 43</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 702</u>	<u>\$ 46</u>	<u>\$ 928</u>	<u>\$ 69</u>	<u>\$ 31</u>	<u>\$ -</u>

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**CITY OF NEW BRITAIN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**  
**(In Thousands)**

	Special Revenue Funds									
	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic	Adult Education	Summer School Music
<b>ASSETS</b>										
Cash and cash equivalents	\$	\$	\$	\$	20	7,537	157	217	139	43
Accounts receivable			32							
Loans receivable										
Due from other governments						2,795				
Inventory						200				
Total Assets	\$ -	\$ -	\$ 32	\$ -	\$ 20	\$ 10,532	\$ 157	\$ 217	\$ 139	\$ 43
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$	16	47	9		814				
Due to other funds		78	589							
Total liabilities	-	94	636	9	-	814	-	-	-	-
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable						200				
Restricted						9,518				
Committed					20		157	217	139	43
Unassigned		(94)	(604)	(9)						
Total fund balances	-	(94)	(604)	(9)	20	9,718	157	217	139	43
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 32	\$ -	\$ 20	\$ 10,532	\$ 157	\$ 217	\$ 139	\$ 43

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**CITY OF NEW BRITAIN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020  
(In Thousands)**

	Special Revenue Funds									
	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition	Redevelopment Commission	Brownfield Pilot
ASSETS										
Cash and cash equivalents	\$ 22	\$ 18	\$	\$ 674	\$ 720	\$ 208	\$ 47	\$ 98	\$ 6	\$
Accounts receivable		12		663	101	1,103				4
Loans receivable				1,120	2,308	20				
Due from other governments										
Inventory										
Total Assets	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,457</u>	<u>\$ 3,129</u>	<u>\$ 1,331</u>	<u>\$ 47</u>	<u>\$ 98</u>	<u>\$ 6</u>	<u>\$ 4</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 22	\$ 82	\$ 10	\$ 101	\$ 116	\$	\$	\$	\$ 12	\$
Due to other funds			29							9
Total liabilities	<u>22</u>	<u>82</u>	<u>39</u>	<u>101</u>	<u>116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>9</u>
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable				1,119	2,318	1,111				
Unavailable revenue - loans receivable				1,119	2,318	1,111				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,119</u>	<u>2,318</u>	<u>1,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted				1,237	695	220	47	98		
Committed										
Unassigned		(52)	(39)						(6)	(5)
Total fund balances	<u>-</u>	<u>(52)</u>	<u>(39)</u>	<u>1,237</u>	<u>695</u>	<u>220</u>	<u>47</u>	<u>98</u>	<u>(6)</u>	<u>(5)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,457</u>	<u>\$ 3,129</u>	<u>\$ 1,331</u>	<u>\$ 47</u>	<u>\$ 98</u>	<u>\$ 6</u>	<u>\$ 4</u>

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**CITY OF NEW BRITAIN, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020  
(In Thousands)**

	Special Revenue Funds						
	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation
<b>ASSETS</b>							
Cash and cash equivalents	\$ 47	\$	\$	\$ 290	\$ 1,309	\$ 1,539	\$ 13
Accounts receivable							
Loans receivable							
Due from other governments							
Inventory							
Total Assets	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290</u>	<u>\$ 1,309</u>	<u>\$ 1,539</u>	<u>\$ 13</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$	\$ 7	\$	\$	\$	\$
Due to other funds		13	46				
Total liabilities	<u>-</u>	<u>13</u>	<u>53</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>
Fund Balances:							
Nonspendable					1,309	1,539	247
Restricted				290			
Committed	47						13
Unassigned		(13)	(53)				
Total fund balances	<u>47</u>	<u>(13)</u>	<u>(53)</u>	<u>290</u>	<u>1,309</u>	<u>1,539</u>	<u>13</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290</u>	<u>\$ 1,309</u>	<u>\$ 1,539</u>	<u>\$ 13</u>

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**CITY OF NEW BRITAIN, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**  
**(In Thousands)**

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Arts Fund	America the Beautiful Forestry	Camp Schade	Fire Grant	Cold Weather Shelter	Busway Bike Trails	Opioid Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	7	6	16	6	17,109
Accounts receivable								10,307
Loans receivable							15	3,463
Due from other governments								4,175
Inventory								200
Total Assets	\$ -	\$ -	\$ -	7	6	16	21	35,254
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$	\$	\$				21	2,021
Due to other funds			10					4,170
Total liabilities	-	-	10	-	-	-	21	6,191
Deferred Inflows of Resources:								
Unavailable revenue - sewer receivable								6,440
Unavailable revenue - loans receivable								4,548
Total deferred inflows of resources	-	-	-	-	-	-	-	10,988
Fund Balances:								
Nonspendable								3,295
Restricted				7		16		13,887
Committed					6			4,273
Unassigned			(10)					(3,380)
Total fund balances	-	-	(10)	7	6	16	-	18,075
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ -	7	6	16	21	35,254

**CITY OF NEW BRITAIN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(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	\$	\$	\$	\$	\$	\$	1,401	\$	\$	\$ 150
Investment earnings										
Investment losses			(15)							
Licenses, fees and charges for goods and services	2,008	62	346	11,044						
Other revenues										
Total revenues	2,008	62	331	11,044	-	-	1,401	-	-	150
Expenditures:										
General government								2		
Public safety		93								
Public works				9,507			1,585			
Health and welfare			433							
Parks, recreation and libraries	1,773									163
Education										
Total expenditures	1,773	93	433	9,507	-	-	1,585	2	-	163
Excess (Deficiency) of Revenues over Expenditures	235	(31)	(102)	1,537	-	-	(184)	(2)	-	(13)
Other Financing Sources (Uses):										
Transfers in					9	7				4
Transfers out	(1)		(11)	(971)					(1)	
Total other financing sources (uses)	(1)	-	(11)	(971)	9	7	-	-	(1)	4
Net Change in Fund Balances	234	(31)	(113)	566	9	7	(184)	(2)	(1)	(9)
Fund Balances at Beginning of Year	(1,175)	130	(664)	1,764	(9)	(7)	-	75	1	14
Fund Balances at End of Year	\$ (941)	\$ 99	\$ (777)	\$ 2,330	\$ -	\$ -	\$ (184)	\$ 73	\$ -	\$ 5

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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, 2020**  
**(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	System of Care Grant
Revenues:										
Intergovernmental revenue	\$	\$ 39	\$	\$ 170	\$ 170	\$ 17	\$ 98	\$	\$ 50	\$
Investment earnings										
Investment losses										
Licenses, fees and charges for goods and services										
Other revenues	3									
Total revenues	<u>3</u>	<u>39</u>	<u>-</u>	<u>170</u>	<u>170</u>	<u>17</u>	<u>98</u>	<u>-</u>	<u>50</u>	<u>-</u>
Expenditures:										
General government										
Public safety	3							2		
Public works										
Health and welfare		49					87		50	
Parks, recreation and libraries				170	171	17				
Education										
Total expenditures	<u>3</u>	<u>49</u>	<u>-</u>	<u>170</u>	<u>171</u>	<u>17</u>	<u>87</u>	<u>2</u>	<u>50</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>11</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in								21		28
Transfers out		(3)	(11)							
Total other financing sources (uses)	<u>-</u>	<u>(3)</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>28</u>
Net Change in Fund Balances	-	(13)	(11)	-	(1)	-	11	19	-	28
Fund Balances at Beginning of Year	<u>5</u>	<u>35</u>	<u>11</u>	<u>(7)</u>	<u>2</u>	<u>(4)</u>	<u>(10)</u>	<u>(19)</u>	<u>13</u>	<u>(28)</u>
Fund Balances at End of Year	<u>\$ 5</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 1</u>	<u>\$ (4)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 13</u>	<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, 2020**  
**(In Thousands)**

	Special Revenue Funds									
	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	STD Control Program
Revenues:										
Intergovernmental revenue	\$ 54	\$ 60	\$	\$	\$	\$	\$	\$ 66	\$	\$ 18
Investment earnings										
Investment losses										
Licenses, fees and charges for goods and services						2				
Other revenues						2				
Total revenues	<u>54</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>18</u>
Expenditures:										
General government	38									
Public safety								66		
Public works										
Health and welfare									51	18
Parks, recreation and libraries		79				1				
Education										
Total expenditures	<u>38</u>	<u>79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>66</u>	<u>51</u>	<u>18</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16</u>	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in				110					226	
Transfers out			(5)				(112)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>226</u>	<u>-</u>
Net Change in Fund Balances	16	(19)	(5)	110	-	1	(112)	-	175	-
Fund Balances at Beginning of Year	<u>135</u>	<u>41</u>	<u>5</u>	<u>(110)</u>	<u>(236)</u>	<u>6</u>	<u>114</u>	<u>(27)</u>	<u>415</u>	<u>3</u>
Fund Balances at End of Year	<u>\$ 151</u>	<u>22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (236)</u>	<u>\$ 7</u>	<u>\$ 2</u>	<u>\$ (27)</u>	<u>\$ 590</u>	<u>\$ 3</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, 2020**  
**(In Thousands)**

	Special Revenue Funds									Assistance to CCSU Police Department
	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	\$	\$	\$ 77	\$ 134	\$ 79	\$	\$ 220	\$ 8	\$	\$
Investment earnings										
Investment losses										
Licenses, fees and charges for goods and services						36				
Other revenues	127	7							29	
Total revenues	<u>127</u>	<u>7</u>	<u>77</u>	<u>134</u>	<u>79</u>	<u>36</u>	<u>220</u>	<u>8</u>	<u>29</u>	<u>-</u>
Expenditures:										
General government										
Public safety				85	123		153			10
Public works										
Health and welfare			82					18		
Parks, recreation and libraries	87	6				20			13	
Education										
Total expenditures	<u>87</u>	<u>6</u>	<u>82</u>	<u>85</u>	<u>123</u>	<u>20</u>	<u>153</u>	<u>18</u>	<u>13</u>	<u>10</u>
Excess (Deficiency) of Revenues over Expenditures	<u>40</u>	<u>1</u>	<u>(5)</u>	<u>49</u>	<u>(44)</u>	<u>16</u>	<u>67</u>	<u>(10)</u>	<u>16</u>	<u>(10)</u>
Other Financing Sources (Uses):										
Transfers in										56
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>56</u>
Net Change in Fund Balances	40	1	(5)	49	(44)	16	67	(10)	16	46
Fund Balances at Beginning of Year	<u>212</u>	<u>42</u>	<u>43</u>	<u>(358)</u>	<u>704</u>	<u>30</u>	<u>861</u>	<u>79</u>	<u>14</u>	<u>(56)</u>
Fund Balances at End of Year	<u>\$ 252</u>	<u>\$ 43</u>	<u>\$ 38</u>	<u>\$ (309)</u>	<u>\$ 660</u>	<u>\$ 46</u>	<u>\$ 928</u>	<u>\$ 69</u>	<u>\$ 30</u>	<u>\$ (10)</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, 2020**  
**(In Thousands)**

	Special Revenue Funds									
	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic	Adult Education	Summer School Music
Revenues:										
Intergovernmental revenue	\$	\$ 2,972	\$ 138	\$	\$	\$ 11,484	\$	\$	\$	\$
Investment earnings										
Investment losses										
Licenses, fees and charges for goods and services						339	34	72	1	6
Other revenues					19					
Total revenues	<u>-</u>	<u>2,972</u>	<u>138</u>	<u>-</u>	<u>19</u>	<u>11,823</u>	<u>34</u>	<u>72</u>	<u>1</u>	<u>6</u>
Expenditures:										
General government										
Public safety										
Public works		3,010	602							
Health and welfare										
Parks, recreation and libraries				74						
Education					16	8,423	9	56	3	2
Total expenditures	<u>-</u>	<u>3,010</u>	<u>602</u>	<u>74</u>	<u>16</u>	<u>8,423</u>	<u>9</u>	<u>56</u>	<u>3</u>	<u>2</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(38)</u>	<u>(464)</u>	<u>(74)</u>	<u>3</u>	<u>3,400</u>	<u>25</u>	<u>16</u>	<u>(2)</u>	<u>4</u>
Other Financing Sources (Uses):										
Transfers in				91						
Transfers out	(23)									
Total other financing sources (uses)	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(23)	(38)	(464)	17	3	3,400	25	16	(2)	4
Fund Balances at Beginning of Year	<u>23</u>	<u>(56)</u>	<u>(140)</u>	<u>(26)</u>	<u>17</u>	<u>6,318</u>	<u>132</u>	<u>201</u>	<u>141</u>	<u>39</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (94)</u>	<u>\$ (604)</u>	<u>\$ (9)</u>	<u>\$ 20</u>	<u>\$ 9,718</u>	<u>\$ 157</u>	<u>\$ 217</u>	<u>\$ 139</u>	<u>\$ 43</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, 2020**  
**(In Thousands)**

	Special Revenue Funds									
	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition	Redevelopment Commission	Brownfield Pilot
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$ 1,924	\$ 468	\$ 699	\$	\$	\$	\$
Investment earnings					1					
Investment losses										
Licenses, fees and charges for goods and services				15						
Other revenues				76	252					
Total revenues	-	-	-	2,015	721	699	-	-	-	-
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare				1,960	633	626				
Parks, recreation and libraries										
Education										
Total expenditures	-	-	-	1,960	633	626	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	55	88	73	-	-	-	-
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	55	88	73	-	-	-	-
Fund Balances at Beginning of Year	-	(52)	(39)	1,182	607	147	47	98	(6)	(5)
Fund Balances at End of Year	\$ -	\$ (52)	\$ (39)	\$ 1,237	\$ 695	\$ 220	\$ 47	\$ 98	\$ (6)	\$ (5)

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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, 2020**  
**(In Thousands)**

	Special Revenue Funds							
					Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery
	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park				
Revenues:								
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$
Investment earnings					69	372		13
Investment losses				(14)				
Licenses, fees and charges for goods and services								
Other revenues								
Total revenues	-	-	-	(14)	69	372	-	13
Expenditures:								
General government								
Public safety								
Public works								
Health and welfare								
Parks, recreation and libraries				7	81	384		16
Education								
Total expenditures	-	-	-	7	81	384	-	16
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(21)	(12)	(12)	-	(3)
Other Financing Sources (Uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	(21)	(12)	(12)	-	(3)
Fund Balances at Beginning of Year	47	(13)	(53)	311	1,321	1,551	13	250
Fund Balances at End of Year	\$ 47	\$ (13)	\$ (53)	\$ 290	\$ 1,309	\$ 1,539	\$ 13	\$ 247

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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, 2020**  
**(In Thousands)**

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Arts Fund	America the Beautiful Forestry	Camp Schade	Fire Grant	Cold Weather Shelter	Busway Bike Trails	Opioid Fund	
Revenues:								
Intergovernmental revenue	\$	\$ 8	\$	\$	\$	\$ -	\$ 47	\$ 20,551
Investment earnings								455
Investment losses								(29)
Licenses, fees and charges for goods and services								13,963
Other revenues				7				522
Total revenues	-	8	-	7	-	-	47	35,462
Expenditures:								
General government								40
Public safety								535
Public works								14,704
Health and welfare							45	4,052
Parks, recreation and libraries		7						3,069
Education								8,509
Total expenditures	-	7	-	-	-	-	45	30,909
Excess (Deficiency) of Revenues over Expenditures	-	1	-	7	-	-	2	4,553
Other Financing Sources (Uses):								
Transfers in								552
Transfers out	(11)	(11)						(1,160)
Total other financing sources (uses)	(11)	(11)	-	-	-	-	-	(608)
Net Change in Fund Balances	(11)	(10)	-	7	-	-	2	3,945
Fund Balances at Beginning of Year	11	10	(10)	-	6	16	(2)	14,130
Fund Balances at End of Year	\$ -	\$ -	\$ (10)	\$ 7	\$ 6	\$ 16	\$ -	\$ 18,075



# 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, 2020

(In Thousands)

Project Description	Amended Budget	Current Year Expenditures and Transfers	Cumulative Expenditures	Available Budget
Capital Equipment Reserve #004	\$ 27,771	\$ 1,361	\$ 26,928	\$ 843
Capital and Nonrecurring #003	30,860	39	30,768	92
Subway #005		2,969	4,318	(4,318)
Sewer Capital Projects	4,510	425	2,408	2,102
New Britain High School	16,595		16,515	80
Diloretto School Renovation	10,000		9,698	302
Gaffney School Renovation	30,000		28,148	1,852
Various BOE Projects	9,935		9,275	660
School Security Upgrade	574		550	24
Smalley Academy Renovations	48,000	6,543	39,856	8,144
Chamberlain School & Various	57,000			57,000
Badolato & Szczesny Garage Repairs	6,775		5,923	852
Technology Bond	3,180	120	2,914	266
Storm Water System Improvements	4,750	46	4,208	542
Environmental Remediation	8,150		8,151	(1)
Street Infrastructure	34,193	324	31,774	2,419
Transfer Station Rehab	2,378		1,724	654
Broad Street Reconstruction	13,300		12,598	702
Fafnir Smart Park Expansion	3,250		2,864	386
Willow Street Project		5	5,485	(5,485)
Bridge Program	2,425	6	1,092	1,333
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	38,420	430
2011 Revaluation	500		456	44
Fairview Cemetery Fence	275	4	243	32
AW Stanley Pool	6,066	298	6,220	(154)
Stanley Golf Course Irrigation	2,000		1,970	30
Telecommunications	5,750		5,500	250
City Wide Facilities PW	1,177	64	1,086	91
Willow Brook Park Improvements	3,329	55	3,328	1
City Wide Park ADA Improvements	875		873	2
City Wide Park Improvements	990	10	930	60
Beehive Stadium Improvements	1,495	12	1,378	117
Chesley Park Improvements	2,075	195	2,015	60
Telecommunications	1,400		329	1,071
Streetscape Improvements	18,088	2,228	18,784	(696)
Arch Street Improvements	1,200		333	867
Broad Street Reconstruction Phase 2	4,350	4	4,051	299
Elam Street Water Tank	5,395		3,081	2,314
NB Stadium Renovations	795	11	707	88
Water Projects and Improvements	1,283	562	1,012	271
Various Capital Improvements	26,380	6,458	7,397	18,983
EMS Ambulances	400		353	47
Water Treatment Facility	25,800			25,800
Refunding bond activity		3,972		
Total	\$ 488,840	\$ 25,713	\$ 367,204	\$ 121,636



## **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, 2020**  
**(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>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,464	\$ 9,834	\$	\$ 1,558	\$	\$ 17,856
Investments			17,672	2,669		20,341
Due from other funds	7,309				(7,309)	-
Accounts receivable		8		2		10
Total Assets	<u>\$ 13,773</u>	<u>\$ 9,842</u>	<u>\$ 17,672</u>	<u>\$ 4,229</u>	<u>\$ (7,309)</u>	<u>\$ 38,207</u>
<b>LIABILITIES AND NET POSITION</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,125	\$ 70	\$ 49	\$	\$	\$ 1,244
Due to other funds			7,309		(7,309)	-
Claim reserves		602	11,465	2,999		15,066
Total liabilities	1,125	672	18,823	2,999	(7,309)	16,310
Net Position	<u>12,648</u>	<u>9,170</u>	<u>(1,151)</u>	<u>1,230</u>		<u>21,897</u>
Total Liabilities and Net Position	<u>\$ 13,773</u>	<u>\$ 9,842</u>	<u>\$ 17,672</u>	<u>\$ 4,229</u>	<u>\$ (7,309)</u>	<u>\$ 38,207</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, 2020**  
**(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>
Operating Revenues:					
Charges to other funds	\$ 20,340	\$ 16,119	\$ 1,679	\$	\$ 38,138
Other revenues		1,979		217	2,196
Total operating revenues	<u>20,340</u>	<u>18,098</u>	<u>1,679</u>	<u>217</u>	<u>40,334</u>
Operating Expenses:					
Claims incurred	15,806	13,487	3,269	187	32,749
Administrative costs	426	866	278	21	1,591
Total operating expenses	<u>16,232</u>	<u>14,353</u>	<u>3,547</u>	<u>208</u>	<u>34,340</u>
Operating Income (Loss)	4,108	3,745	(1,868)	9	5,994
Nonoperating Revenues (Expenses):					
Interest and dividends			872	114	986
Change in Net Position	4,108	3,745	(996)	123	6,980
Net Position at Beginning of Year	<u>8,540</u>	<u>5,425</u>	<u>(155)</u>	<u>1,107</u>	<u>14,917</u>
Net Position at End of Year	<u>\$ 12,648</u>	<u>\$ 9,170</u>	<u>\$ (1,151)</u>	<u>\$ 1,230</u>	<u>\$ 21,897</u>

**CITY OF NEW BRITAIN, CONNECTICUT**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(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	\$ 20,340	\$ 16,119	\$ 1,679	\$	\$ 38,138
Cash received from other operating activities		2,002		217	2,219
Cash paid for premiums and other operating expenses	(426)	(866)	(278)	(21)	(1,591)
Cash payments for claims made	(16,170)	(13,989)	(3,220)	(187)	(33,566)
Net cash provided by (used in) operating activities	<u>3,744</u>	<u>3,266</u>	<u>(1,819)</u>	<u>9</u>	<u>5,200</u>
Cash Flows from Noncapital Financing Activities:					
Cash received from other funds	6,090		7,309		13,399
Cash paid to other funds	(7,309)		(6,090)		(13,399)
Net cash provided by (used in) noncapital financing activities	<u>(1,219)</u>		<u>1,219</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest income			872	114	986
Actuarial claims reserve		(178)	367	28	217
Purchase of investments			(639)	(93)	(732)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(178)</u>	<u>600</u>	<u>49</u>	<u>471</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,525	3,088	-	58	5,671
Cash and Cash Equivalents at Beginning of Year	<u>3,939</u>	<u>6,746</u>	<u>-</u>	<u>1,500</u>	<u>12,185</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,464</u>	<u>\$ 9,834</u>	<u>\$ -</u>	<u>\$ 1,558</u>	<u>\$ 17,856</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ 4,108	\$ 3,745	\$ (1,868)	\$ 9	\$ 5,994
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in accounts receivable		23			23
Increase (decrease) in accounts payable and accrued expenses	(364)	(502)	49		(817)
Total adjustments	<u>(364)</u>	<u>(479)</u>	<u>49</u>	<u>-</u>	<u>(794)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 3,744</u>	<u>\$ 3,266</u>	<u>\$ (1,819)</u>	<u>\$ 9</u>	<u>\$ 5,200</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, 2020**  
**(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>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,410	\$ 1,572	\$ 1,857	\$	\$ 5,839
Investments	72,219	57,398	6,183		135,800
Accounts receivable					-
Total Assets	<u>\$ 74,629</u>	<u>\$ 58,970</u>	<u>\$ 8,040</u>	<u>\$ -</u>	<u>\$ 141,639</u>
<b>LIABILITIES AND NET POSITION</b>					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ -
Due to other funds					-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Held in Trust for Pension Benefits	<u>74,629</u>	<u>58,970</u>	<u>8,040</u>		<u>141,639</u>
Total Liabilities and Net Position	<u>\$ 74,629</u>	<u>\$ 58,970</u>	<u>\$ 8,040</u>	<u>\$ -</u>	<u>\$ 141,639</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, 2020**  
(In Thousands)

	<b>Firemen's Pension Fund</b>	<b>Police Benefit Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:				
Contributions:				
Employer	\$ 1,572	\$ 1,572	\$ 8,088	\$ 11,232
Employee	155	92		247
Total contributions	<u>1,727</u>	<u>1,664</u>	<u>8,088</u>	<u>11,479</u>
Investment income:				
Net change in fair value of investments	2,302	1,062	247	3,611
Interest and dividends	752	1,181		1,933
Investment expense	(192)	(53)	(2)	(247)
Net investment income	<u>2,862</u>	<u>2,190</u>	<u>245</u>	<u>5,297</u>
Less investment expense				
Net investment income	<u>2,862</u>	<u>2,190</u>	<u>245</u>	<u>5,297</u>
Total additions	<u>4,589</u>	<u>3,854</u>	<u>8,333</u>	<u>16,776</u>
Deductions:				
Benefits	7,474	7,945	7,420	22,839
Administration	29	30	2	61
Total deductions	<u>7,503</u>	<u>7,975</u>	<u>7,422</u>	<u>22,900</u>
Change in Net Position	(2,914)	(4,121)	911	(6,124)
Net Position at Beginning of Year	<u>77,543</u>	<u>63,091</u>	<u>7,129</u>	<u>147,763</u>
Net Position at End of Year	<u>\$ 74,629</u>	<u>\$ 58,970</u>	<u>\$ 8,040</u>	<u>\$ 141,639</u>

**CITY OF NEW BRITAIN, CONNECTICUT**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Contractor's Bond Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>311</u>	\$ <u>13</u>	\$ <u>24</u>	\$ <u>300</u>
Liabilities:				
Due to beneficiaries	\$ <u>311</u>	\$ <u>13</u>	\$ <u>24</u>	\$ <u>300</u>
<b>Student Activity Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>411</u>	\$ <u>494</u>	\$ <u>528</u>	\$ <u>377</u>
Liabilities:				
Due to beneficiaries	\$ <u>411</u>	\$ <u>494</u>	\$ <u>528</u>	\$ <u>377</u>
<b>Downtown District</b>				
Assets:				
Cash and cash equivalents	\$ <u>33</u>	\$ <u>200</u>	\$ <u>216</u>	\$ <u>17</u>
Liabilities:				
Due to beneficiaries and others	\$ <u>33</u>	\$ <u>200</u>	\$ <u>216</u>	\$ <u>17</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>755</u>	\$ <u>707</u>	\$ <u>768</u>	\$ <u>694</u>
Liabilities:				
Due to beneficiaries	\$ <u>755</u>	\$ <u>707</u>	\$ <u>768</u>	\$ <u>694</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 131,388	\$ 111,159	\$ 132,508	\$ 118,980	\$ 138,395	\$ 138,868	\$ 125,383	\$ 151,122	\$ 147,800	\$ 137,210
Restricted	3,295	3,580	3,466	3,392	3,814	3,311	2,855	8,281	8,109	2,883
Unrestricted	(126,102)	(94,000)	(105,212)	(47,898)	(62,371)	(94,349)	(25,437)	(42,371)	(47,512)	(27,443)
Total governmental activities net position	8,581	20,739	30,762	74,474	79,838	47,830	102,801	117,032	108,397	112,650
Business-type activities:										
Net investment in capital assets	43,744	43,064	42,429	42,120	41,799	41,387	41,058	39,737	39,381	27,883
Unrestricted	9,954	10,295	8,422	8,540	8,710	7,901	6,415	11,171	11,550	20,425
Total business-type activities net position	53,698	53,359	50,851	50,660	50,509	49,288	47,473	50,908	50,931	48,308
Primary government:										
Net investment in capital assets	175,132	154,223	174,937	161,100	180,194	180,255	166,441	190,859	187,181	165,093
Restricted	3,295	3,580	3,466	3,392	3,814	3,311	2,855	8,281	8,109	2,883
Unrestricted	(116,148)	(83,705)	(96,790)	(39,358)	(53,661)	(86,448)	(19,022)	(31,200)	(35,962)	(7,018)
Total Primary Government Net Position	\$ 62,279	\$ 74,098	\$ 81,613	\$ 125,134	\$ 130,347	\$ 97,118	\$ 150,274	\$ 167,940	\$ 159,328	\$ 160,958

## 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
General government	\$ 14,549	\$ 33,074	\$ 7,405	\$ 10,235	\$ 12,907	\$ 3,687	\$ 15,087	\$ 11,539	\$ 12,124	\$ 12,083
Public safety	79,373	61,767	70,452	55,681	57,112	56,019	50,893	42,461	45,290	41,086
Public works	27,892	36,814	26,444	31,637	20,661	28,358	31,236	26,025	20,309	23,171
Health and welfare	9,448	7,322	6,485	5,953	6,746	6,605	6,633	6,188	6,574	8,225
Parks, recreation and libraries	13,012	9,275	2,115	12,624	13,857	15,804	13,304	10,647	13,077	11,462
Education	204,454	196,522	203,025	167,194	194,594	182,914	185,208	168,740	164,084	173,807
Interest on long-term debt	12,545	7,167	11,490	7,108	14,585	26,172	11,386	11,553	14,052	10,907
Total governmental activities expenses	361,273	351,941	327,416	290,432	320,462	319,559	313,747	277,153	275,510	280,741
Business-type activities:										
Water	10,669	9,639	9,274	10,450	9,446	8,922	5,176	11,242	10,236	10,432
Total Primary Government Expenses	\$ <u>371,942</u>	\$ <u>361,580</u>	\$ <u>336,690</u>	\$ <u>300,882</u>	\$ <u>329,908</u>	\$ <u>328,481</u>	\$ <u>318,923</u>	\$ <u>288,395</u>	\$ <u>285,746</u>	\$ <u>291,173</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,860	\$ 1,787	\$ 2,045	\$ 2,233	\$ 1,966	\$ 1,594	\$ 1,586	\$ 788	\$ 1,632	\$ 969
Public safety	4,712	3,670	3,471	3,726	4,027	3,185	4,207	4,202	3,810	2,140
Public works	15,125	15,679	13,204	13,512	12,534	12,943	13,385	12,697	11,820	12,818
Health and welfare	548	737	479	484	484	712	684	837	877	96
Parks, recreation and libraries	2,218	2,191	2,415	2,303	2,507	2,820	2,553	2,655	3,057	2,667
Education	409	1,287	450	529	594	943	744	596	507	777
Operating grants and contributions	157,787	146,678	159,712	117,079	147,578	139,486	139,955	131,215	122,717	135,289
Capital grants and contributions	5,672	18,625	7,063	3,484	23,232	7,737	5,619	1,984	2,632	2,080
Total governmental activities program revenues	188,331	190,654	188,839	143,350	192,922	169,420	168,733	154,974	147,052	156,836
Business-type activities:										
Charges for services	12,355	13,498	10,816	11,915	11,912	11,734	10,498	12,472	12,840	12,012
Capital grants and contributions										
Total business-type activities revenues	12,355	13,498	10,816	11,915	11,912	11,734	10,498	12,472	12,840	12,012
Total Primary Government Program Revenues	\$ <u>200,686</u>	\$ <u>204,152</u>	\$ <u>199,655</u>	\$ <u>155,265</u>	\$ <u>204,834</u>	\$ <u>181,154</u>	\$ <u>179,231</u>	\$ <u>167,446</u>	\$ <u>159,892</u>	\$ <u>168,848</u>
Net (Expense) Revenue:										
Governmental activities	\$ (172,942)	\$ (161,287)	\$ (138,577)	\$ (147,082)	\$ (127,540)	\$ (150,139)	\$ (145,014)	\$ (122,179)	\$ (128,458)	\$ (123,905)
Business-type activities	1,686	3,859	1,542	1,465	2,466	2,812	5,322	1,230	2,604	1,580
Total Primary Government Net Expense	\$ <u>(171,256)</u>	\$ <u>(157,428)</u>	\$ <u>(137,035)</u>	\$ <u>(145,617)</u>	\$ <u>(125,074)</u>	\$ <u>(147,327)</u>	\$ <u>(139,692)</u>	\$ <u>(120,949)</u>	\$ <u>(125,854)</u>	\$ <u>(122,325)</u>

(Continued on next page)



TABLE 2

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	\$ 139,464	\$ 134,636	126,741	\$ 121,948	\$ 127,292	\$ 121,333	\$ 108,112	\$ 112,865	\$ 106,069	\$ 108,741
Grants and contributions not restricted to specific purposes	13,651	13,035	15,130	18,200	11,528	10,974	11,105	10,184	11,024	10,557
Unrestricted investment earnings	1,866	245	1,508	2,244	466	1,016	3,562	2,092	870	6,070
Transfer								1,263		5,000
Miscellaneous	4,448	1,994	186	185	3,101	1,947	1,341	4,410	3,654	967
Total governmental activities	<u>159,429</u>	<u>149,910</u>	<u>143,565</u>	<u>142,577</u>	<u>142,387</u>	<u>135,270</u>	<u>124,120</u>	<u>130,814</u>	<u>121,617</u>	<u>131,335</u>
Business-type activities:										
Unrestricted investment earnings	8	3	4	3	5	3	9	10	19	28
Transfer								(1,263)		(5,000)
Total business-type activities	<u>8</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>5</u>	<u>3</u>	<u>9</u>	<u>(1,253)</u>	<u>19</u>	<u>(4,972)</u>
Total Primary Government	<u>\$ 159,437</u>	<u>\$ 149,913</u>	<u>143,569</u>	<u>\$ 142,580</u>	<u>\$ 142,392</u>	<u>\$ 135,273</u>	<u>\$ 124,129</u>	<u>\$ 129,561</u>	<u>\$ 121,636</u>	<u>\$ 126,363</u>
Changes in Net Position:										
Governmental activities	\$ (12,158)	\$ (10,023)	6,343	\$ (3,188)	\$ 16,097	\$ (13,869)	\$ (14,231)	\$ 8,635	\$ (6,841)	\$ 7,430
Business-type activities	<u>339</u>	<u>2,508</u>	<u>191</u>	<u>151</u>	<u>1,221</u>	<u>1,815</u>	<u>(1,332)</u>	<u>(23)</u>	<u>2,623</u>	<u>(3,392)</u>
Total Primary Government	<u>\$ (11,819)</u>	<u>\$ (7,515)</u>	<u>6,534</u>	<u>\$ (3,037)</u>	<u>\$ 17,318</u>	<u>\$ (12,054)</u>	<u>\$ (15,563)</u>	<u>\$ 8,612</u>	<u>\$ (4,218)</u>	<u>\$ 4,038</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved										
Committed										5
Assigned	4,500	2,143	9,208	17,294	3,165				41	379
Unassigned	<u>17,777</u>	<u>22,853</u>	<u>17,239</u>	<u>18,838</u>	<u>25,235</u>	<u>11,277</u>	<u>4,965</u>	<u>12,595</u>	<u>12,159</u>	<u>11,663</u>
Total General Fund	<u>\$ 22,277</u>	<u>\$ 24,996</u>	<u>\$ 26,447</u>	<u>\$ 36,132</u>	<u>\$ 28,400</u>	<u>\$ 11,277</u>	<u>\$ 4,965</u>	<u>\$ 12,595</u>	<u>\$ 12,200</u>	<u>\$ 12,047</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable	3,295	3,580	3,466	3,392	3,033	3,212	3,095	2,038	2,890	2,883
Restricted	37,990	28,621	27,387	16,946	15,361	14,969	10,102	6,573	5,464	5,697
Committed	14,870	31,941	13,630	17,105	4,714	2,827	1,796	1,138	898	2,331
Assigned									41	
Unassigned	<u>(29,226)</u>	<u>(35,393)</u>	<u>(16,215)</u>	<u>(16,049)</u>	<u>(45,955)</u>	<u>(40,755)</u>	<u>(36,955)</u>	<u>(2,092)</u>	<u>(6,293)</u>	<u>(14,758)</u>
Total All Other Governmental Funds	<u>\$ 26,929</u>	<u>\$ 28,749</u>	<u>\$ 28,268</u>	<u>\$ 21,394</u>	<u>\$ (22,847)</u>	<u>\$ (19,747)</u>	<u>\$ (21,962)</u>	<u>\$ 7,657</u>	<u>\$ 3,000</u>	<u>\$ (3,847)</u>

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

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

TABLE 4

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 136,692	\$ 134,949	\$ 124,516	\$ 124,302	\$ 122,687	\$ 119,390	\$ 108,353	\$ 114,381	\$ 110,013	\$ 106,904
Intergovernmental	176,426	177,300	180,212	177,793	182,139	154,502	157,325	148,476	137,303	150,216
Licenses, fees and charges for goods and services	23,806	23,280	21,626	21,740	21,909	20,312	23,803	21,494	21,632	19,529
Income on investments	1,398	2,107	1,107	890	205	192	774	618	308	3,504
Miscellaneous	5,433	3,772	2,013	669	3,055	5,793	1,904	4,410	3,654	1,123
Total revenues	<u>343,755</u>	<u>341,408</u>	<u>329,474</u>	<u>325,394</u>	<u>329,995</u>	<u>300,189</u>	<u>292,159</u>	<u>289,379</u>	<u>272,910</u>	<u>281,276</u>
Expenditures:										
General government	6,393	6,484	6,576	6,121	5,294	5,792	5,574	10,057	11,027	7,012
Public safety	45,301	48,189	41,586	41,338	34,532	33,478	32,834	41,442	43,589	40,696
Public works	27,039	26,814	23,335	20,678	21,386	18,587	21,794	19,237	23,536	21,998
Social services	6,301	6,888	5,780	4,959	6,014	5,709	4,524	6,181	6,584	8,187
Education	199,397	186,424	201,949	200,048	186,620	180,080	177,987	164,743	160,477	168,532
Parks and recreation	10,483	10,048	9,905	9,836	10,132	10,135	8,822	10,064	12,569	10,918
Other										1,194
Capital outlay	16,320	45,128	11,509	12,451	19,159	39,041	25,558	24,125	30,378	16,971
Debt service interest	34,030	29,308	28,491	23,062	18,356	16,885	29,803	11,680	9,433	10,083
Debt service principal	16,580	16,580	16,580	16,580	16,580	16,580	16,580	17,925	22,384	15,024
Total expenditures	<u>361,844</u>	<u>375,863</u>	<u>345,711</u>	<u>335,073</u>	<u>318,073</u>	<u>326,287</u>	<u>323,476</u>	<u>305,454</u>	<u>319,977</u>	<u>300,615</u>
Excess of Revenue Under Expenditures	<u>(18,089)</u>	<u>(34,455)</u>	<u>(16,237)</u>	<u>(9,679)</u>	<u>11,922</u>	<u>(26,098)</u>	<u>(31,317)</u>	<u>(16,075)</u>	<u>(47,067)</u>	<u>(19,339)</u>
Other Financing Sources (Uses):										
Transfers in	9,030	3,184	4,737	2,436	2,430	2,053	11,750	6,407	11,765	6,954
Transfers out	(7,675)	(1,830)	(3,382)	(1,119)	(1,180)	(1,053)	(5,087)	(5,144)	(1,269)	(1,954)
Premiums	835	3,161		7,846	7,587	4,794		244		1,011
Discounts			(425)							
Proceeds from the issuance of bonds and notes	11,360	28,970	91,645	74,720	44,545	79,300		19,225	34,441	36,840
Payment to refund bond escrow agent			(79,149)	(22,231)	(51,169)	(50,581)				(1,904)
Total other financing sources (uses)	<u>13,550</u>	<u>33,485</u>	<u>13,426</u>	<u>61,652</u>	<u>2,213</u>	<u>34,513</u>	<u>6,663</u>	<u>20,732</u>	<u>44,937</u>	<u>40,947</u>
Net Change in Fund Balances	<u>\$ (4,539)</u>	<u>\$ (970)</u>	<u>\$ (2,811)</u>	<u>\$ 51,973</u>	<u>\$ 14,135</u>	<u>\$ 8,415</u>	<u>\$ (24,654)</u>	<u>\$ 4,657</u>	<u>\$ (2,130)</u>	<u>\$ 21,608</u>
Debt Service as a Percentage of Noncapital Expenditures	17.40%	13.8%	13.0%	13.6%	13.5%	12.7%	15.5%	11.8%	12.3%	9.8%

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

Source: City of New Britain Office of Tax Assessor

Note:

- (1) The October 1, 2012 and 2017 Grand List were revaluation years
- (2) The 2020 fiscal is the 2018 Grand List, 2019 is 2017 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  
2018 AND 2009**

October 1, 2018				October 1, 2009			
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	\$ 73,811,900	1	2.59%	CT Light & Power	\$ 42,052,512	1	1.44%
StanleyBlack & Decker Inc	49,223,351	2	1.73%	Pebblebrook Apartments LLC	21,865,000	2	0.75%
Pebblebrook Apartments LLC	22,750,000	3	0.80%	Stanley Works	21,774,351	3	0.75%
Jubilee Equities LLC	17,232,950	4	0.60%	Inland Southeast New Britain LLC	12,800,780	4	0.44%
Connecticut Natural Gas	15,116,870	5	0.53%	Conn Natural Gas Corp	12,607,418	5	0.43%
Corwest Plaza Power, LLC	14,984,340	6	0.53%	NB-BTMC LLC	11,200,000	6	0.38%
Healthcare Porfolio III DST	13,217,980	7	0.46%	Farmington Hills 06 LLC	10,684,079	7	0.37%
Corbin Pinnacle, LLC	10,664,650	8	0.37%	Investment Associates LTP	10,620,890	8	0.36%
Paramount Plaza at New Brite LLC	10,150,000	9	0.36%	Webster Bank	10,212,678	9	0.35%
NB-BTMC, LLC	10,150,000	10	0.36%	HSC Community Services Inc	9,088,170	10	0.31%
	<u>\$ 237,302,041</u>		<u>8.32%</u>		<u>\$ 162,905,878</u>		<u>5.58%</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
2020	50.50	\$ 134,451	\$ 129,572	96.37%	\$ N/A	\$ 129,572	96.37%
2019	50.50	133,608	128,879	96.46%	2,445	131,324	98.29%
2018	50.50	123,675	119,490	96.62%	2,752	122,242	98.84%
2017	50.50	122,530	119,144	97.24%	2,231	121,375	99.06%
2016	49.00	121,394	117,265	96.60%	3,121	120,386	99.17%
2015	49.00	120,101	115,575	96.23%	3,653	119,228	99.27%
2014	44.12	106,331	103,465	97.30%	2,194	105,659	99.37%
2013	36.63	106,630	104,180	97.70%	1,920	106,100	99.50%
2012	36.63	107,582	103,302	96.02%	3,819	107,121	99.57%
2011	36.63	107,141	102,722	95.88%	3,934	106,656	99.55%

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								
2020	\$ 309,329	\$ -	\$ 9,307	\$ 318,636	7.60%	% 9.42	% \$ 4,109	75,277	\$ 512	18,168	
2019	315,084	-	11,289	326,373	7.85	10.33	4,324	72,876	620	18,196	
2018	300,353	-	10,583	310,936	7.94	9.85	4,121	72,876	583	18,157	
2017	298,631	-	12,417	311,048	7.99	10.11	4,092	72,988	705	17,601	
2016	254,808	-	14,251	269,059	6.95	8.60	3,486	73,095	788	18,095	
2015	255,064	-	16,085	271,149	7.00	8.74	3,488	73,122	890	18,068	
2014	213,576	-	17,919	231,495	5.88	7.34	2,923	73,055	995	18,018	
2013	230,081	-	19,754	249,835	5.46	7.40	3,095	74,348	1,102	17,932	
2012	228,282	-	21,588	249,870	5.47	7.34	3,070	74,348	1,208	17,877	
2011	211,208	-	34,336	245,544	5.17	8.00	3,009	70,185	1,926	17,832	

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, 2020**  
**(In Thousands)**

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2019					\$ 134,696 *
Reimbursement for revenue loss					<u>28</u>
BASE for Debt Limitation Computation					<u>\$ 134,724</u>
	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension</b>
Debt limitation:					
2-1/4 times base	\$ 303,129	\$	\$	\$	\$
4-1/2 times base		606,258			
3-3/4 times base			505,215		
3-1/4 times base				437,853	
3 times base					404,172
Total debt limitation	<u>303,129</u>	<u>606,258</u>	<u>505,215</u>	<u>437,853</u>	<u>404,172</u>
Indebtedness:					
Bonds and notes payable	243,350	49,664	1,680		
Bond anticipation notes					
Overlapping debt			20,915		
Bonds authorized - unissued	5,285	48,842	4,459		
Total indebtedness	<u>248,635</u>	<u>98,506</u>	<u>27,054</u>	<u>-</u>	<u>-</u>
Less self-liquidating indebtedness:					
Statutory exclusion- pension obligation bond	38,805				
Total self-liquidating indebtedness	<u>38,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness less self-liquidating indebtedness	<u>209,830</u>	<u>98,506</u>	<u>27,054</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 93,299</u>	<u>\$ 507,752</u>	<u>\$ 478,161</u>	<u>\$ 437,853</u>	<u>\$ 404,172</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation - \$943,008

\*Budgetary basis



TABLE 10

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

	<b>FISCAL YEAR</b>									
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Debt limitation	\$ 943,008	\$ 873,411	\$ 876,477	\$ 876,477	\$ 860,587	\$ 839,153	\$ 763,280	\$ 796,372	\$ 764,726	\$ 761,802
Total net debt applicable to limit	<u>335,390</u>	<u>344,840</u>	<u>347,154</u>	<u>396,987</u>	<u>289,479</u>	<u>299,222</u>	<u>331,956</u>	<u>316,193</u>	<u>339,738</u>	<u>297,519</u>
Legal Debt Margin	<u>\$ 607,618</u>	<u>\$ 528,571</u>	<u>\$ 529,323</u>	<u>\$ 479,490</u>	<u>\$ 571,108</u>	<u>\$ 539,931</u>	<u>\$ 431,324</u>	<u>\$ 480,179</u>	<u>\$ 424,988</u>	<u>\$ 464,283</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>35.57%</u>	<u>39.48%</u>	<u>39.61%</u>	<u>45.29%</u>	<u>33.64%</u>	<u>35.66%</u>	<u>43.49%</u>	<u>39.70%</u>	<u>44.43%</u>	<u>39.05%</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**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (1)</b>	<b>Per Capita Income (1)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2020	75,277	\$ 3,282,905,247	\$ 43,611	34.0	10,037	13.30 %
2019	72,876	3,049,423,344	41,844	34.0	10,133	5.20
2018	72,876	3,049,423,344	41,844	34.0	10,002	5.80
2017	72,983	2,952,875,516	40,457	34.0	10,065	6.80
2016	73,095	2,961,443,925	40,515	33.0	9,874	8.20
2015	73,122	2,917,421,556	39,898	33.0	10,017	7.70
2014	73,055	2,910,365,090	20,655	33.0	10,053	8.90
2013	74,348	3,108,564,228	20,601	42.0	10,324	11.30
2012	74,348	3,108,564,228	20,601	42.0	9,977	11.80
2011	70,185	2,640,991,365	23,557	35.0	10,400	13.20

(1) Connecticut Economic Research Center, Inc. CERC Town Profile 2014 - 2019

(2) Source: Consolidated School District of New Britain

(3) Source: CT Dept. of Labor

TABLE 12

**CITY OF NEW BRITAIN, CONNECTICUT  
PRINCIPAL EMPLOYERS  
2020 AND 2011**

2020					2011				
Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment	Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment
Hospital of Central CT	Hospital	2,214	1	6.73%	Hospital of Central CT	Hospital	3,100	1	9.95%
City of New Britain	Municipality	1,918	2	5.83%	City of New Britain	Municipality	1,924	2	6.18%
Central CT State University	University	1,450	3	4.41%	Central CT State University	University	1,637	3	5.25%
Hospital for Special Care	Hospital	1,231	4	3.74%	The Hospital for Special Care	Hospital	1,554	4	4.99%
Stanley-Black & Decker	Manufacturing	600	5	1.82%	State of CT	Government	1,095	5	3.51%
Webster Bank	Banking	600	6	1.82%	The Stanley Works	Manufacturing	933	6	2.99%
Creed Monarch	Manufacturing	280	7	0.85%	Tilcon CT	Construction	735	7	2.36%
Guida's	Dairy	240	8	0.73%	Grove Hill Medical Center	Health Care	484	8	1.55%
Costco	Retail	235	9	0.71%	Dattco	Transportation	425	9	1.36%
B&F Machine	Manufacturing	210	10	0.64%	Webster Bank	Financial	375	10	1.20%
Total		8,978		27.29%			12,262		39.34%
Total Employment		32,903			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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration, financial and other	80	83	81	111	112	112	112	98	119	123
Police	184	186	192	187	182	182	182	157	162	151
Fire	131	124	129	131	132	132	132	137	152	153
Health and welfare	15	12	11	12	10	10	10	22	18	18
Parks and recreation	14	16	16	16	38	38	38	42	53	54
Public works, engineering, garage	96	99	93	62	43	43	43	50	62	63
Water	47	42	44	42	40	40	40	38	52	52
Education	<u>1,341</u>	<u>1,330</u>	<u>1,298</u>	<u>1,280</u>	<u>1,257</u>	<u>1,257</u>	<u>1,224</u>	<u>1,294</u>	<u>1,332</u>	<u>1,333</u>
Total	<u>1,908</u>	<u>1,892</u>	<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>

TABLE 14

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

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Building permits issued	1,142	1,084	1,158	1,118	1,157	1,073	992	628	852	518
Building inspections conducted	1,088	1,003	1,102	1,033	918	857	1,026	1,131	1,804	1,101
Police:										
Calls for service	36,903	41,755	43,697	63,911	92,161	83,389	74,295	32,701	43,233	45,494
Physical arrests	4,062	4,788	5,396	4,622	5,117	5,542	4,341	4,230	5,307	6,188
Parking violations	5,669	6,497	7,818	7,438	8,437	12,626	12,915	16,963	13,197	15,049
Traffic violations	4,261	7,207	6,835	3,590	9,459	5,532	4,243	2,103	3,054	4,410
Fire:										
Emergency responses	6,724	7,381	6,600	5,611	5,874	6,350	6,047	6,542	6,286	6,604
Fires extinguished	124	129	105	138	129	463	404	241	280	284
Inspections	1,428	1,294	891	865	767	292	207	226	295	305
Refuse collection:										
Refuse collected (tons per day)	90	77	81	80	83	122	157	161	165	168
Recyclables collected (tons per day)	16	17	16	16	16	16	16	16	17	14
Other public works:										
Street resurfacing (miles)	8	2	9	5	6	10	10	9	8	5
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation:										
Athletic field permits issued	1,439	2,152	5,040	3,910	3,305	3,123	2,820	3,110	3,176	3,373
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	226,676	237,312	238,017	246,117	249,104	242,255	234,883	230,497	225,581	213,907
Total volumes borrowed	211,205	284,872	297,888	308,175	334,763	261,727	361,682	405,206	408,167	394,456
Water:										
New connections	-	8	26	11	12	6		11	4	5
Water main breaks	17	30	25	35	26	35	13	20	9	21
Average daily consumption (thousands of gallons)	8,350	8,841	9,305	9,382	9,706	9,301	9,056	8,830	8,887	9,140
Peak daily consumption (thousands of gallons)	11,601	11,412	11,996	11,892	12,329	11,817	12,659	11,640	12,722	13,424
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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	46	46	47	45	45	37	38	30	32	32
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	11	10	8	10	11	11	11	10	10	10
Other public works:										
Streets (miles)	193	193	193	185	185	185	185	185	163	163
Highways (miles)	33	33	33	15	15	15	15	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	64	66	69	69	69	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	10	10	9	9	9	9	9
Water:										
Water mains (miles)	274	274	274	274	274	248	248	248	247	247
Fire hydrants	2,080	2,078	2,078	2,097	2,096	1,864	1,863	1,863	1,851	1,887
Storage capacity (thousands of gallons)	2,742,921	2,742,921	2,742,921	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800
Wastewater:										
Sanitary sewers (miles)	179	179	179	179	179	179	179	179	179	179
Storm sewers (miles)	154	154	154	154	154	154	154	154	153	153