

City of New Britain Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF NEW BRITAIN CONNECTICUT

FISCAL YEAR ENDED JUNE 30, 2019



Prepared by Finance Department

Lori Granato, Director of Finance

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

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2019**

MAYOR

Erin E. Stewart

TREASURER

Ronald Jakubowski

CITY COUNCIL

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

ADMINISTRATION

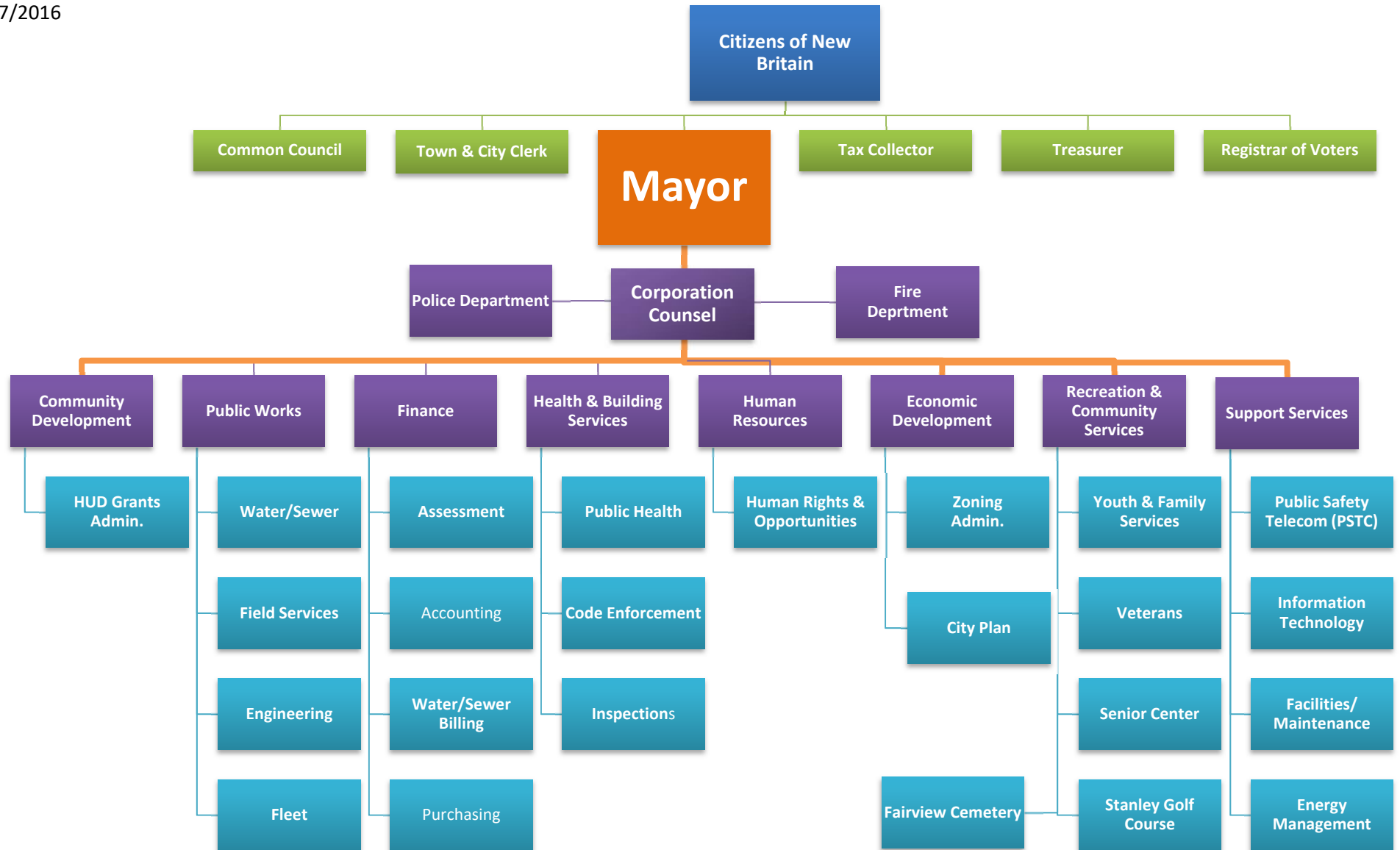
Corporation Counsel	Gennaro Bizzarro
Town Clerk	Mark Bernacki
Tax Collector	Cheryl Blogoslawski
Assessor	Michael Konik
Chief of Fire	Raul Ortiz
Chief of Police	Christopher Chute
Director of Community Development	Kenneth Malinowski
Director of Economic Development	William Carroll
Director of Finance	Lori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

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

City of New Britain Organization Chart

Rev. 9/7/2016



CITY OF NEW BRITAIN, CONNECTICUT



December 23, 2019

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, 2019.

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

The City of New Britain's financial statements have been audited by Blum Shapiro, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of New Britain for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of New Britain's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

The Reporting Entity and Its Services

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

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

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

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

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

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

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

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

Form of Government

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

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

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

Major Initiatives

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

In line with these objectives, the City has continued to sell properties to employers and entrepreneurs who are building and expanding to create new jobs for New Britain's workers. The City is currently in phase 4 of its downtown streetscape project which will make the downtown area more welcoming for pedestrians, cyclists, and motorists. The long-awaited \$579 million New Britain – Hartford Busway is a dedicated bus rapid transit roadway which opened in the spring of 2015. The busway connects New Britain and Hartford with stops at 11 stations along a 9.4 mile corridor bringing improved access and reduced commuting times for all commuters on I-84 west of Hartford.

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

Construction is commencing on The Energy & Innovation Park, a \$1 billion data center project housed on a portion of the former site of Stanley Black & Decker on Curtis Street in Downtown. It is expected to create more than 3,000 direct and indirect jobs over the next 20 years, as well as generate \$45 million in tax revenues for New Britain and more than \$200 million for the State of Connecticut in that timeframe. The renovation of two of the buildings on the site and the installation of 19.98 megawatts of grid-connected fuel cells, will make this the world's largest indoor fuel cell installation.

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

Financial Information

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

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

Budgetary Controls

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

Pension Programs

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

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

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

The City's OPEB liability is calculated to be \$57.8 million. The City's liability is relatively low because employees generally receive 7 years (10 years for Fire) of health benefits after twenty years of service.

Financial Policies

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

Debt Administration

At year end, the City had a number of debt issues outstanding. These included \$278m of general obligation bonds. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on seven times total tax collections plus state reimbursement for revenue loss. As of June 30, 2018, the City's net general obligation bonded debt of \$278 million was well below the legal limit of \$876 million.

Risk Management

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

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

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

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

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

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

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

The Corporation Counsel's Office is diligently defending the City's interest in all legal matters. The City has appropriated in the fiscal year 2018 annual budget \$250,000 to assist in current and future claim defense and settlement. The City's potential liability of active claims is reviewed and updated annually by an independent actuary and such liability is made part of the City's financial statements.

Independent Audit

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

Acknowledgements

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

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

Respectfully submitted,



Lori A. Granato
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of New Britain
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

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, 2019, 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, 2019 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, 2018 (not presented herein), and have issued our report thereon dated December 22, 2018, 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, 2018 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 2018 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019 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 23, 2019

**CITY OF NEW BRITAIN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. 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 \$2.5 million, and the net position of the governmental activities decreased by \$10 million.
- In its governmental activities, the City had revenues of \$340 million and expenses of \$351 million.
- In the City's business-type activities, revenues were \$13.5 million while expenses were \$9.6 million, thus increasing the net position before transfers of the business-type funds by \$3.9 million. The net position after transfers of the business-type funds increased by \$2.5 million.
- The General Fund reported a fund balance of \$24.9 million (\$2.1m assigned and \$22.8m unassigned).
- The tax collection rate for the current levy was 96.46%.

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 \$82 million to \$74 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

TABLE 1
SUMMARY STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 166,843	\$ 143,318	\$ 10,730	\$ 8,809	\$ 177,573	\$ 152,127
Capital assets:						
Capital assets not being depreciated	82,844	51,306	1,977	1,977	84,821	53,283
Capital assets being depreciated, net	301,955	302,119	51,634	50,243	353,589	352,362
Total assets	<u>551,642</u>	<u>496,743</u>	<u>64,341</u>	<u>61,029</u>	<u>615,983</u>	<u>557,772</u>
Deferred Outflows of Resources	<u>97,204</u>	<u>27,117</u>	<u>745</u>	<u>792</u>	<u>97,949</u>	<u>27,909</u>
Long-term debt outstanding	568,819	453,691	11,468	10,762	580,287	464,453
Other liabilities	53,257	36,421	259	208	53,516	36,629
Total liabilities	<u>622,076</u>	<u>490,112</u>	<u>11,727</u>	<u>10,970</u>	<u>633,803</u>	<u>501,082</u>
Deferred Inflows of Resources	<u>5,392</u>	<u>2,986</u>			<u>5,392</u>	<u>2,986</u>
Net Position:						
Net investment in capital assets	111,159	132,508	43,064	42,429	154,223	174,937
Restricted	3,580	3,466			3,580	3,466
Unrestricted (deficit)	<u>(94,000)</u>	<u>(105,212)</u>	<u>10,295</u>	<u>8,422</u>	<u>(83,705)</u>	<u>(96,790)</u>
Total Net Position	<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 of the City's governmental activities decreased in FY19 by 33% (\$20.7 million compared to \$30.7 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 \$(84) million at June 30, 2019.

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

- Other liabilities increased by \$17.2m due to the issuance of bond anticipation notes as well as an increase in payables
- Deferred outflows related to OPEB and the City's share in MERS increased

TABLE 2
SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 25,351	\$ 22,064	\$ 13,498	\$ 10,816	\$ 38,849	\$ 32,880
Operating grants and contributions	146,678	159,712			146,678	159,712
Capital grants and contributions	18,625	7,063			18,625	7,063
General revenues:						
Property taxes	134,636	126,741			134,636	126,741
Grants and contributions not restricted to specific programs	13,035	15,130			13,035	15,130
Unrestricted investment earnings	245	1,508	3	4	248	1,512
Other general revenues	1,994	186			1,994	186
Total revenues	<u>340,564</u>	<u>332,404</u>	<u>13,501</u>	<u>10,820</u>	<u>354,065</u>	<u>343,224</u>
Program expenses:						
General government	33,074	7,405			33,074	7,405
Public safety	61,767	70,452			61,767	70,452
Public works	36,814	26,444			36,814	26,444
Health and welfare	7,322	6,485			7,322	6,485
Parks, recreation and libraries	9,275	2,115			9,275	2,115
Education	196,522	203,025			196,522	203,025
Interest on long-term debt	7,167	11,490			7,167	11,490
Water			9,639	9,274	9,639	9,274
Total program expenses	<u>351,941</u>	<u>327,416</u>	<u>9,639</u>	<u>9,274</u>	<u>361,580</u>	<u>336,690</u>
Increase (decrease) in net position before transfers	(11,377)	4,988	3,862	1,546	(7,515)	6,534
Transfers	<u>1,354</u>	<u>1,355</u>	<u>(1,354)</u>	<u>(1,355)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(10,023)	6,343	2,508	191	(7,515)	6,534
Net position at beginning of year	<u>30,762</u>	<u>24,419</u>	<u>50,851</u>	<u>50,660</u>	<u>81,613</u>	<u>75,079</u>
Net Position at End 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>

The City's combined revenues were \$354 million. The total cost of all programs and services was \$362 million.

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

Governmental Activities

Revenues for governmental activities totaled \$341 million; property taxes (39.5%), operating grants (43%) and charges for services (7.4%) are the major revenue sources - contributing approximately 89.9% of the City's revenues.

Expenses for governmental activities were \$352 million, of which 56% were supported by program revenues and 44% were supported from general revenues. Expenses by function include education (55.8%), public safety (17.6%), public works (10.5%), and parks, recreation and libraries (2.6%), which made up 86.5% of the total governmental expenses.

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

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Education	\$ 196,522	\$ 203,025	\$ 48,486	\$ 50,311
Public safety	61,767	70,452	57,100	64,979
Public works	36,814	26,444	9,552	6,105
General government	33,074	7,405	31,218	5,164
All others	23,764	20,090	14,931	12,018
Totals	<u>\$ 351,941</u>	<u>\$ 327,416</u>	<u>\$ 161,287</u>	<u>\$ 138,577</u>

Business-Type Activities

Revenues and expenses of the City's business-type activities amounted to \$13.5 million and \$9.6 million, respectively. Net position increased by \$2.5 million.

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 \$53.7 million, which is a decrease from last year's total of \$54.7 million. The decrease in the fund balance can be attributed to the elimination of bond anticipation notes.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water Enterprise Fund amounted to \$10.2 million and those for the internal service funds amounted to \$15m. The increase in unrestricted net position for the internal service funds was due to lower claims cost resulting in an increase in cash and investments.

General Fund Budgetary Highlights

- Tax collections remained high in line with previous years with a collection rate of 96.46%
- The General Fund received \$3.2m in bond/BAN premium
- \$4m in assigned fund balance (generated from prior years' surplus) was used in the FY19 budget

Capital Asset and Debt Administration

Capital Assets

At June 30, 2019, the City had \$438 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 \$32 million, or 8% above last year.

**TABLE 4
CAPITAL ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 13,417	\$ 13,417	\$ 1,977	\$ 1,977	\$ 15,394	\$ 15,394
Construction in progress	69,427	37,889			69,427	37,889
Buildings and improvements	207,323	213,520			207,323	213,520
Equipment	7,380	7,738			7,380	7,738
Vehicles	6,441	5,705			6,441	5,705
Infrastructure	80,811	75,156			80,811	75,156
Water filtration assets			51,634	50,243	51,634	50,243
Totals	<u>\$ 384,799</u>	<u>\$ 353,425</u>	<u>\$ 53,611</u>	<u>\$ 52,220</u>	<u>\$ 438,410</u>	<u>\$ 405,645</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, 2019, the City had \$297m in bonds and notes outstanding versus \$283m last year - an increase of 5% - as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds (backed by the City)	<u>\$ 297,089</u>	<u>\$ 282,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,089</u>	<u>\$ 282,854</u>

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 \$873 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 5.35% versus 6.46% a year ago. This compares with the State's unemployment rate of 3.9% and the national rate of 3.7%.

These indicators were taken into account when adopting the General Fund budget for 2019-2020. Amounts available for appropriation in the General Fund were \$26.4 million, a decrease of 27% over the final 2018 amount of \$36.1 million.

Contacting the City's Financial Management

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



Basic Financial Statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2019
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 91,432	\$ 3,804	\$ 95,236
Restricted cash	10,406		10,406
Investments	24,051	12	24,063
Receivables, net	40,496	6,715	47,211
Inventory	458	199	657
Capital assets:			
Capital assets not being depreciated	82,844	1,977	84,821
Capital assets being depreciated, net	301,955	51,634	353,589
Total assets	551,642	64,341	615,983
Deferred Outflows of Resources:			
Deferred charge on refunding	7,038	745	7,783
Changes related to pensions	72,211		72,211
Changes related to OPEB	17,955		17,955
Total deferred outflows of resources	97,204	745	97,949
Liabilities:			
Accounts and other payables	37,852	259	38,111
Bond anticipation notes	15,000		15,000
Loans payable	369		369
Unearned revenue	405		405
Noncurrent liabilities:			
Due within one year	17,687	2,068	19,755
Due in more than one year	550,763	9,400	560,163
Total liabilities	622,076	11,727	633,803
Deferred Inflows of Resources:			
Changes related to pensions	5,392		5,392
Advanced property tax collections	639		639
Total deferred inflows of resources	6,031		6,031
Net Position:			
Net investment in capital assets	111,159	43,064	154,223
Restricted for:			
Trust purposes:			
Expendable	3,580		3,580
Unrestricted	(94,000)	10,295	(83,705)
Total Net Position	\$ 20,739	\$ 53,359	\$ 74,098

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, 2019
(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	\$ 33,074	\$ 1,787	\$ 69	\$ 9	\$ (31,218)	\$	\$ (31,218)
Public safety	61,767	3,670	988		(57,100)		(57,100)
Public works	36,814	15,679	3,321	8,262	(9,552)		(9,552)
Health and welfare	7,322	737	3,859		(2,726)		(2,726)
Parks, recreation and libraries	9,275	2,191	797		(6,287)		(6,287)
Education	196,522	1,287	136,395	10,354	(48,486)		(48,486)
Interest on long-term debt	7,167		1,249		(5,918)		(5,918)
Total governmental activities	351,941	25,351	146,678	18,625	(161,287)	-	(161,287)
Business-type activities:							
Water	9,639	13,498				3,859	3,859
Total	<u>\$ 361,580</u>	<u>\$ 38,849</u>	<u>\$ 146,678</u>	<u>\$ 18,625</u>	<u>(161,287)</u>	<u>3,859</u>	<u>(157,428)</u>
General revenues:							
Property taxes					134,636		134,636
Grants and contributions not restricted to specific programs					13,035		13,035
Unrestricted investment income					245	3	248
Miscellaneous					1,994		1,994
Total general revenues					<u>149,910</u>	<u>3</u>	<u>149,913</u>
Transfers					<u>1,354</u>	<u>(1,354)</u>	<u>-</u>
Change in Net Position					(10,023)	2,508	(7,515)
Net Position at Beginning of Year					<u>30,762</u>	<u>50,851</u>	<u>81,613</u>
Net Position at End of Year					<u>\$ 20,739</u>	<u>\$ 53,359</u>	<u>\$ 74,098</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	<u>General</u>	<u>Capital Projects Fund</u>	<u>BOE State and Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 41,349	\$ 18,526	\$ 6,909	\$ 12,463	\$ 79,247
Restricted cash		10,406			10,406
Investments		4,441			4,441
Accounts receivables, net	23,701	1,114	612	15,038	40,465
Inventories				458	458
Total Assets	<u>\$ 65,050</u>	<u>\$ 34,487</u>	<u>\$ 7,521</u>	<u>\$ 27,959</u>	<u>\$ 135,017</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 17,526	\$ 6,801	\$ 4,814	\$ 3,798	\$ 32,939
Loans payable		369			369
Unearned revenue		299	106		405
Bond anticipation notes payable		15,000			15,000
Total liabilities	<u>17,526</u>	<u>22,469</u>	<u>4,920</u>	<u>3,798</u>	<u>48,713</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	21,889				21,889
Unavailable revenue - sewer use fees				5,513	5,513
Unavailable revenue - loans receivable				4,518	4,518
Advanced property tax collections	639				639
Total deferred inflows of resources	<u>22,528</u>	<u>-</u>	<u>-</u>	<u>10,031</u>	<u>32,559</u>
Fund balances:					
Nonspendable				3,580	3,580
Restricted		20,363	2,601	5,657	28,621
Committed		23,936		8,005	31,941
Assigned	2,143				2,143
Unassigned	22,853	(32,281)		(3,112)	(12,540)
Total fund balances	<u>24,996</u>	<u>12,018</u>	<u>2,601</u>	<u>14,130</u>	<u>53,745</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 65,050</u>	<u>\$ 34,487</u>	<u>\$ 7,521</u>	<u>\$ 27,959</u>	<u>\$ 135,017</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019
(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 53,745
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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	\$ 675,402	
Less accumulated depreciation	<u>(290,603)</u>	
Net capital assets		384,799

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	10,744
Interest receivable on property taxes	11,145
Housing loans receivable	4,518
Sewer receivable	5,513
Deferred outflows related to pensions	72,211
Deferred outflows related to OPEB	17,955

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

14,917

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	(297,089)
Clean water notes payable	(2,029)
Interest payable on bonds and notes	(2,852)
Prior service costs	(27)
Compensated absences	(6,363)
Net pension liability	(160,962)
Net OPEB liability	(71,166)
Deferred charges on refunding	7,038
Deferred discounts on refundings	372
Unamortized bond premium	(16,338)
Deferred inflows related to pensions	<u>(5,392)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 20,739</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, 2019
(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	\$ 134,949	\$	\$	\$	\$ 134,949
Intergovernmental	101,938	16,667	39,640	19,055	177,300
Licenses, fees and charges for goods and services	9,444		718	13,118	23,280
Investment earnings	1,362	502		243	2,107
Miscellaneous	2,350	714		708	3,772
Total revenues	<u>250,043</u>	<u>17,883</u>	<u>40,358</u>	<u>33,124</u>	<u>341,408</u>
Expenditures:					
Current:					
General government	6,425			59	6,484
Public safety	47,357			832	48,189
Public works	12,356			14,458	26,814
Health and welfare	2,145			4,743	6,888
Education	137,873		40,205	8,346	186,424
Parks and recreation	7,292			2,756	10,048
Capital outlay		45,128			45,128
Debt and sundry	42,691	3,197			45,888
Total expenditures	<u>256,139</u>	<u>48,325</u>	<u>40,205</u>	<u>31,194</u>	<u>375,863</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,096)</u>	<u>(30,442)</u>	<u>153</u>	<u>1,930</u>	<u>(34,455)</u>
Other Financing Sources (Uses):					
Transfers in	2,334			850	3,184
Transfers out	(850)			(980)	(1,830)
Premium on general obligation bonds	3,161				3,161
Issuance of general obligation bonds		28,970			28,970
Total other financing sources (uses)	<u>4,645</u>	<u>28,970</u>	<u>-</u>	<u>(130)</u>	<u>33,485</u>
Net Change in Fund Balances	(1,451)	(1,472)	153	1,800	(970)
Fund Balances at Beginning of Year	<u>26,447</u>	<u>13,490</u>	<u>2,448</u>	<u>12,330</u>	<u>54,715</u>
Fund Balances at End of Year	<u>\$ 24,996</u>	<u>\$ 12,018</u>	<u>\$ 2,601</u>	<u>\$ 14,130</u>	<u>\$ 53,745</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, 2019
(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)	\$ (970)
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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	43,428
Depreciation expense	(12,054)

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

Property tax receivable - accrual basis change	1,010
Property tax interest and lien revenue - accrual basis change	(1,322)
Housing loans receivable	117
Sewer receivables	1,251
Change in deferred inflows related to pensions	(2,406)

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	(28,970)
Bond principal payments	14,735
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	709
Change in prior service costs	7
Accrued interest	815
Amortization of deferred charge on refunding	(1,241)
Amortization of bond premium	(792)
Net OPEB expense	(20,033)
Net pension expense	(80,758)
Change in deferred outflows related to pensions	53,438
Change in deferred outflows related to OPEB	17,890

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.

4,827

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>(10,023)</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, 2019
(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 3,804	\$ 12,185
Investments	12	19,610
Receivables:		
Other, net of allowance for uncollectible	6,715	31
Inventory	199	
Total current assets	<u>10,730</u>	<u>31,826</u>
Noncurrent assets:		
Capital assets, net	53,611	
Total assets	<u>64,341</u>	<u>31,826</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	<u>745</u>	
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	259	2,061
Compensated absences	83	
Current portion of bonds and notes payable	1,985	
Total current liabilities	<u>2,327</u>	<u>2,061</u>
Noncurrent liabilities:		
Bonds and notes payable	9,307	
Compensated absences	93	
Claim reserves		14,848
Total noncurrent liabilities	<u>9,400</u>	<u>14,848</u>
Total liabilities	<u>11,727</u>	<u>16,909</u>
Net Position:		
Net investment in capital assets	43,064	
Unrestricted	<u>10,295</u>	<u>14,917</u>
Total Net Position	<u>\$ 53,359</u>	<u>\$ 14,917</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, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Funds
Operating Revenues:		
Charges for services and goods	\$ 13,498	\$
Charges to other funds		36,462
Other		2,029
Total operating revenues	<u>13,498</u>	<u>38,491</u>
Operating Expenses:		
Cost of sales, services and administration	7,276	
Administration and general expense		1,767
Depreciation expense	1,882	
Claims incurred		33,149
Total operating expenses	<u>9,158</u>	<u>34,916</u>
Operating Income	<u>4,340</u>	<u>3,575</u>
Nonoperating Revenues (Expenses):		
Income on investments	3	1,252
Interest expense	(481)	
Net nonoperating revenues (expenses)	<u>(478)</u>	<u>1,252</u>
Change in Net Position Before Transfers	3,862	4,827
Transfers:		
Transfers out	<u>1,354</u>	
Change in Net Position	2,508	4,827
Total Net Position at Beginning of Year	<u>50,851</u>	<u>10,090</u>
Total Net Position at End of Year	<u>\$ 53,359</u>	<u>\$ 14,917</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, 2019
(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from charges to other funds	\$	\$ 36,462
Cash received from customers	11,453	
Cash received from other operating activities		2,002
Cash paid for premiums and other operating expenses	(7,228)	(1,767)
Cash payments for claims made		(32,546)
Net cash provided by (used in) operating activities	<u>4,225</u>	<u>4,151</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to other funds	<u>(1,354)</u>	
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(3,275)	
Proceeds from loan obligation	2,544	
Payment of loan obligation	(1,834)	
Interest paid on capital debt	(481)	
Net cash provided by (used in) capital financing activities	<u>(3,046)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	3	1,252
Actuarial claim reserve		(45)
Purchase of investments		(1,099)
Sale of investments		
Net cash provided by (used in) investing activities	<u>3</u>	<u>108</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(172)	4,259
Cash and Cash Equivalents at Beginning of Year	<u>3,976</u>	<u>7,926</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,804</u>	<u>\$ 12,185</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ <u>4,340</u>	\$ <u>3,575</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,882	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,092)	(27)
(Increase) decrease in other deferred asset	47	
(Increase) decrease in inventory		
Increase (decrease) in accounts payable and accrued expenses	48	603
Total adjustments	<u>(115)</u>	<u>576</u>
Net Cash Provided (Used in) by Operating Activities	<u>\$ 4,225</u>	<u>\$ 4,151</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, 2019
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 5,930	\$ 755
Investments, at fair value:		
Mutual funds	123,910	
U.S. securities	4,729	
Corporate bonds	7,094	
Mortgage-backed securities	5,389	
Accounts receivable	711	
Total Assets	147,763	\$ 755
Liabilities:		
Accounts payable		\$
Due to beneficiaries		755
Total Liabilities	-	\$ 755
Net Position:		
Restricted for Pension and Other Post Retirement Benefits	\$ 147,763	

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, 2019
(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 12,643
Employee	297
Total contributions	<u>12,940</u>
Investment income:	
Net change in fair value of investments	3,985
Interest and dividends	2,938
Total investment income	<u>6,923</u>
Total additions	<u>19,863</u>
Deductions:	
Benefits	19,912
Administration	77
Total deductions	<u>19,989</u>
Change in Net Position	(126)
Net Position at Beginning of Year	<u>147,889</u>
Net Position at End of Year	<u><u>\$ 147,763</u></u>

The accompanying notes are an integral part of the financial statements

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Primary Government

The City of New Britain, Connecticut (the City) became a consolidated City in 1905 with a Mayor-Council-Commission form of government. The Mayor and Council serve concurrent two-year terms and operate under a Charter adopted in 1961, with the latest revision in 2002. The Common Council, the legislative body, consists of fifteen (15) Aldermen elected biennially at large. Other elected officials include the City and Town Clerk, Collector of Taxes, Treasurer and three members of the Board of Tax Review.

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

All department heads report directly to the Mayor.

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

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

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

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

Joint Ventures

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

Bristol Resource Recovery Facility Operating Committee

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(amounts expressed in thousands)

Fund balance of the General Fund for fiscal year ended June 30, 2019 as reflected in BRRFOC's financial statements is \$1.3 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, 2019

(amounts expressed in thousands)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(amounts expressed in thousands)

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

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

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

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

E. Receivables and Payables

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

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

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(amounts expressed in thousands)

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

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

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(amounts expressed in thousands)

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 \$6,363. The City and Board of Education compensated absences is generally liquidated by the General Fund.

J. Net Pension Liability

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(amounts expressed in thousands)

K. Net OPEB Liability

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

L. Long-Term Obligations

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

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

M. Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(amounts expressed in thousands)

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

N. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(amounts expressed in thousands)

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

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

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

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

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

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

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

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(amounts expressed in thousands)

B. Deficit Fund Equity

The following funds have a deficit fund balance/net position at June 30, 2019:

Nonmajor:	
Special Revenue Funds:	
Stanley Quarter Park	\$ 1,175
Cemetery	664
Police & Youth Grants	9
New Britain Marketing Collaborative	7
21st Century After School Grant	7
Exercise the Right Choice II	4
Immunization Action Plan	10
Bullet Proof Vest Grant	19
System of Care Grant	28
Public Safety	110
Centralized and Distribution Services	236
Federal Omnibus Appropriation	27
Highway Safety	358
Assistance to CCSU Police Department	56
ARRA Paving Program	56
Public Works Grant	140
Fireworks fund	26
Business Outreach Center	52
Emergency Shelter Grant	39
Redevelopment Commission	6
Brownfield Pilot	5
EFSP Program	13
Neighborhood Stabilization Program	53
Camp Schade	10
Opioid Fund	2
Internal Service Funds:	
Workers' Compensation	155

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>
Debt Service	\$ 22,554	\$ 23,587	\$ (1,033)
Pension and Benefit Contributions	12,104	19,104	(7,000)
Total Approved Budget	237,730	245,763	(8,033)

CITY OF NEW BRITAIN, CONNECTICUT
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3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$118,658 of the City’s bank balance of \$120,358 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 106,642
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>12,016</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 118,658</u>

The City had no cash equivalents at June 30, 2019.

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Investments

As of June 30, 2019, the City had the following investments:

Investment Type	Credit Ratings	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Certificate of Deposit		\$ 10	\$ 10	\$	
U.S. Government Securities	Aaa	3,739		2,018	1,721
U.S. Government Backed Agencies	A1	4,883	746	787	3,350
Corporate Bonds	Aaa	1,647	359	934	354
Corporate Bonds	Aa1	532		532	
Corporate Bonds	Aa2	364	364		
Corporate Bonds	Aa3	466		466	
Corporate Bonds	Baa1	2,815		2,733	82
Corporate Bonds	A3	2,430	399	1,922	109
Corporate Bonds	B1	99		99	
Corporate Bonds	B2	35		35	
Corporate Bonds	B3	156		156	
Corporate Bonds	Baa2	2,585	366	2,061	158
Corporate Bonds	Baa3	113		65	48
Corporate Bonds	Ba1	243		54	189
Corporate Bonds	Ba3	81		81	
Corporate Bonds	A1	2,769	418	2,147	204
Corporate Bonds	A2	1,943	360	1,583	
Corporate Bonds	**	3,198	16	1,787	1,395
Total		28,108	\$ 3,038	\$ 17,460	\$ 7,610
Other investments:					
Mutual Funds		137,077			
Total Investments		\$ 165,185			

** unavailable

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

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

	June 30, 2018	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government Securities	\$ 3,739	\$ 3,739	\$	\$
U.S. Government Backed Securities	4,883		4,883	
Corporate Bonds	19,476	13,231	6,245	
Mutual Funds	137,077	137,077		
Total investments by fair value level	165,175	\$ 154,047	\$ 11,128	\$ -
Investments not included above:				
Certificate of deposit	10			
Total Investments	\$ 165,185			

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, 2019, the City had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

CITY OF NEW BRITAIN, CONNECTICUT
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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	\$ 12,180	\$	\$	\$	\$	\$ 12,180
Taxes	15,609					15,609
Water					7,156	7,156
Accounts	842		209	9,855		10,907
Intergovernmental		1,114	403	2,339		3,856
Housing loans				3,586		3,586
Gross receivables	<u>28,631</u>	<u>1,114</u>	<u>612</u>	<u>15,780</u>	<u>7,156</u>	<u>53,293</u>
Less allowance for uncollectibles	<u>(4,930)</u>				<u>(441)</u>	<u>(5,371)</u>
Net Total Receivables	<u>\$ 23,701</u>	<u>\$ 1,114</u>	<u>\$ 612</u>	<u>\$ 15,780</u>	<u>\$ 6,715</u>	<u>\$ 47,922</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, 2019 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	37,889	35,269	3,731	69,427
Total capital assets not being depreciated	<u>51,306</u>	<u>35,269</u>	<u>3,731</u>	<u>82,844</u>
Capital assets being depreciated:				
Land improvements	33,246	621		33,867
Buildings	348,761	773		349,534
Machinery and equipment	20,712	760		21,472
Vehicles	24,134	2,266	143	26,257
Infrastructure	153,958	7,470		161,428
Total capital assets being depreciated	<u>580,811</u>	<u>11,890</u>	<u>143</u>	<u>592,558</u>
Less accumulated depreciation for:				
Land improvements	18,919	1,198		20,117
Buildings	149,568	6,393		155,961
Machinery and equipment	12,974	1,118		14,092
Vehicles	18,429	1,530	143	19,816
Infrastructure	78,802	1,815		80,617
Total accumulated depreciation	<u>278,692</u>	<u>12,054</u>	<u>143</u>	<u>290,603</u>
Total capital assets being depreciated, net	<u>302,119</u>	<u>(164)</u>	<u>-</u>	<u>301,955</u>
Governmental Activities Capital Assets, Net	<u>\$ 353,425</u>	<u>\$ 35,105</u>	<u>\$ 3,731</u>	<u>\$ 384,799</u>

CITY OF NEW BRITAIN, CONNECTICUT
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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			5,960
Pumping plant	2,826			2,826
Water treatment plant	2,862			2,862
Filter plant	57,307			57,307
Machinery and equipment	2,370	97		2,467
Transmission and distribution	11,567	3,175	19	14,723
General plant and administrative equipment	311			311
Total capital assets being depreciated	<u>83,203</u>	<u>3,272</u>	<u>19</u>	<u>86,456</u>
Less accumulated depreciation for:				
Source of supply	3,013	64		3,077
Pumping plant	1,974	41		2,015
Water treatment plant	893	102		995
Filter plant	15,784	1,147		16,931
Machinery and equipment	2,107	90		2,197
Transmission and distribution	8,987	432	19	9,400
General plant and administrative	201	6		207
Total accumulated depreciation	<u>32,959</u>	<u>1,882</u>	<u>19</u>	<u>34,822</u>
Total capital assets being depreciated, net	<u>50,244</u>	<u>1,390</u>	<u>-</u>	<u>51,634</u>
Business-Type Activities Capital Assets, Net	\$ <u>52,221</u>	\$ <u>1,390</u>	\$ <u>-</u>	\$ <u>53,611</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,265
Public safety	2,343
Public works	2,757
Health and social services	10
Parks and recreation	737
Education	<u>4,942</u>
Total Depreciation Expense - Governmental Activities	\$ <u>12,054</u>
Business-type activities:	
Enterprise Fund - Water Depreciation Expense	\$ <u>1,882</u>

CITY OF NEW BRITAIN, CONNECTICUT
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Construction Commitments

The City has active construction projects as of June 30, 2019. The following is a summary of capital projects as of June 30, 2019:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Remaining Commitment</u>
Public buildings	\$ 40,027	\$ 39,440	\$ 587
Schools	115,104	96,102	19,002
Infrastructure	97,081	85,283	11,798
Parks and recreation	22,291	21,694	597
Other	265,772	183,420	82,352

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances.

Interfund transfers:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$	\$ 850	\$ 850
Nonmajor Governmental Funds	980			980
Water Fund	<u>1,354</u>			<u>1,354</u>
Total Transfers In	\$ <u>2,334</u>	\$ <u>-</u>	\$ <u>850</u>	\$ <u>3,184</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, 2019:

<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	\$	\$ 15,000,000	\$	\$ 15,000,000

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8. LONG-TERM DEBT

A schedule of bond indebtedness as of June 30, 2019 is as follows:

	Interest Rate %	Original Issue	Date of Issue	Date of Maturity	Balance Outstanding
Consolidated School District:					
2006 Series	4.0 - 5.0	\$ 11,000	4/6/2006	4/15/2021	\$ 731
2007 Series	3.8 - 5.0	6,600	4/5/2007	4/15/2022	880
2008 Series A	2.8 - 5.0	1,750	4/1/2008	4/15/2022	346
2009 Series	3.0 - 4.5	3,975	3/25/2009	4/1/2024	1,058
2012 Series	2.0 - 4.0	3,136	3/15/2012	3/15/2027	135
2013 Series	2.0 - 4.0	2,800	3/19/2013	3/15/2033	985
2015 Series A	3.0 - 5.0	9,935	3/19/2015	3/1/2035	6,006
2016 Series A Refunding	0.82 - 5.0	9,082	1/28/2016	3/1/2025	1,558
2017 Series A Refunding	5.0	2,006	3/1/2017	3/1/2022	1,453
2017 Series C	5.0	9,108	3/15/2017	3/15/2037	9,109
2018 Series Refunding	4.032-4.402	<u>16,615</u>	5/15/2018	3/1/2039	<u>16,615</u>
Subtotal		<u>76,007</u>			<u>38,876</u>
Public Improvement:					
2005 MERF Pension Bond	4.93	1,450	6/1/2005	6/5/2023	430
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	10,800
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	6,082
2017 Series A Refunding	1.9-3.2	7,034	3/1/2017	3/1/2025	5,097
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	<u>5,650</u>	12/19/2018	9/1/1938	<u>5,650</u>
Subtotal		<u>334,518</u>			<u>208,493</u>
General Obligation Pension Bonds:					
1998 Series	5.70 - 6.54	<u>66,000</u>	2/1/1998	2/1/2021	<u>8,800</u>
General Obligation Pension Bonds:					
2015 Series A	1.901 - 4.034	<u>56,000</u>	4/15/2015	2/1/2026	<u>40,920</u>
Total Governmental Activities		<u>\$ 532,525</u>			<u>\$ 297,089</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.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019 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	\$ 282,854	\$ 28,970	\$ 14,735	\$ 297,089	\$ 15,435
Bond premiums	15,546	3,161	2,369	16,338	
Bond discounts	(425)		(53)	(372)	
Total general obligation bonds	<u>297,975</u>	<u>32,131</u>	<u>17,051</u>	<u>313,055</u>	<u>15,435</u>
Notes Payable:					
Clean Water notes	2,378		349	2,029	349
Other liabilities:					
Net OPEB liability	51,133	20,033		71,166	
Compensated absences	7,072		709	6,363	1,903
Net pension liability	80,204	80,758		160,962	
MERS prior service costs	34		7	27	
Risk management	<u>14,895</u>		<u>47</u>	<u>14,848</u>	
Governmental Activities Long-Term Liabilities	<u>\$ 453,691</u>	<u>\$ 132,922</u>	<u>\$ 18,163</u>	<u>\$ 568,450</u>	<u>\$ 17,687</u>
Business-Type Activities:					
Bonds payable	\$ 2,016	\$	\$	\$ 2,016	\$
Notes payable:					
Clean Water notes	8,567	3,022	2,313	9,276	1,985
Compensated absences	<u>179</u>		<u>3</u>	<u>176</u>	<u>83</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 10,762</u>	<u>\$ 3,022</u>	<u>\$ 2,316</u>	<u>\$ 11,468</u>	<u>\$ 2,068</u>

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

CITY OF NEW BRITAIN, CONNECTICUT
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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:

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 280,739	\$ 215,061	\$ 65,678
Schools	561,479	99,078	462,401
Sewers	467,899	30,701	437,198
Urban renewal	405,512		405,512
Pension deficit	374,319		374,319

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$873,411).

The indebtedness above includes \$56,229 of authorized bonds that were unissued as of June 30, 2019.

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

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

Overlapping Debt

As explained in Note 1, the Mattabassett District has been empowered by the State of Connecticut to issue bonds in its own name. The Mattabassett District has outstanding an \$83,184 Interim Funding Obligation (IFO) issued under the State of Connecticut's Clean Water Revolving Fund Program in connection with the design and construction of a Waste Water Pollution Facility Nitrogen Upgrade Project. As a member of the Mattabassett District, the City is assessed a pro-rate share of 39.56% of the District debt, which is reflected as overlapping debt. As of June 30, 2019, \$61,213 has been drawn upon and \$24,213 represents the City's share of the IFO as of that date.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The maturities relating to all bonds and serial notes of the governmental activities of the City as of June 30, 2019 are as follows:

Year Ending June 30,	Principal General Obligation	Principal Clean Water Notes	Interest General Obligation	Interest Clean Water Notes	Total
2020	\$ 15,435	\$ 349	\$ 8,472	\$ 37	\$ 24,293
2021	16,330	349	7,675	30	24,384
2022	13,490	349	11,978	24	25,841
2023	13,790	300	11,392	17	25,499
2024	14,490	222	10,776	12	25,500
2025	14,630	98	10,113	8	24,849
2026	13,585	98	9,438	6	23,127
2027	13,820	72	8,820	4	22,716
2028	14,455	35	8,188	4	22,682
2029	15,070	35	7,519	3	22,627
2030	15,660	35	6,819	2	22,516
2031	16,510	35	6,084	1	22,630
2032	16,134	35	5,365	1	21,535
2033	16,650	17	4,613		21,280
2034	16,770		3,881		20,651
2035	15,635		3,119		18,754
2036	14,955		2,413		17,368
2037	15,710		1,717		17,427
2038	12,280		987		13,267
2039	11,690		451		12,141
Total	\$ 297,089	\$ 2,029	\$ 129,820	\$ 149	\$ 429,087

CITY OF NEW BRITAIN, CONNECTICUT
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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, 2019 are as follows:

Year Ending June 30,	Principal Clean Water Notes	Revenue Bonds	Interest General Obligation Bonds	Interest Clean Water Notes	Total
2020	\$ 1,985	\$	\$ 197	\$ 92	\$ 2,274
2021	1,986		147	92	2,225
2022	1,616		100	92	1,808
2023	1,351		66	92	1,509
2024	551		40	92	683
2025	151		35	93	279
2026	151		32	93	276
2027	151		28	83	262
2028	151		25	74	250
2029	151		22	64	237
2030	151		19	55	225
2031	151		16	46	213
2032	151	421	13	36	621
2033	151	535	10	76	772
2034	151	530	7	50	738
2035	151	530	4	25	710
2036	126		1		127
Total	\$ 9,276	\$ 2,016	\$ 762	\$ 1,155	\$ 13,209

As of June 30, 2019, the amount of defeased debt outstanding from the City's refundings was \$84,195 and the escrow balance was \$88,367. 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, 2019. 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, 2019 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, 2019.

The changes in the claim reserves for the fiscal years ended June 30, 2019 and 2018 are as follows:

	June 30, 2019			June 30, 2018		
	Medical	Workers' Compensation	General Accident Casualty and Liability	Medical	Workers' Compensation	General Accident Casualty and Liability
Beginning of year claim reserve	\$ 853	\$ 11,066	\$ 2,976	\$ 743	\$ 14,798	\$ 2,970
Current year incurred claims and changes in prior year estimate	10,519	2,742	14	12,071	(1,110)	82
Claim payments	<u>(10,592)</u>	<u>(2,710)</u>	<u>(20)</u>	<u>(11,961)</u>	<u>(2,622)</u>	<u>(76)</u>
End of Year Claim Reserve	<u>\$ 780</u>	<u>\$ 11,098</u>	<u>\$ 2,970</u>	<u>\$ 853</u>	<u>\$ 11,066</u>	<u>\$ 2,976</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, 2019, these required contributions were \$2,035 and \$1,913 for the fire and police plans, respectively. Benefits and contributions are established by the City and may be amended only by the City Council and Union negotiation.

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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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for both Fire and Police, was 4.98% and 4.82%, 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, 2019 were as follows:

	<u>Fire</u>	<u>Police</u>
Total pension liability	\$ 101,010	\$ 88,447
Plan fiduciary net position	<u>77,543</u>	<u>63,091</u>
Total Net Pension Liability	<u>\$ 23,467</u>	<u>\$ 25,356</u>
Plan fiduciary net position as a percentage of the total pension liability	76.77%	71.33%

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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 7.375% 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

Fire Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2018	\$ 106,993	\$ 77,503	\$ 29,490
Changes for the year:			
Service cost	476		476
Interest on total pension liability	7,213		7,213
Differences between expected and actual experience	(2,174)		(2,174)
Changes of assumptions	(3,990)		(3,990)
Employer contributions		3,707	(3,707)
Member contributions		176	(176)
Net investment income (loss)		3,694	(3,694)
Benefit payments, including refund to employee contributions	(7,508)	(7,508)	
Administrative expenses		(29)	29
Net changes	(5,983)	40	(6,023)
Balances as of June 30, 2019	\$ 101,010	\$ 77,543	\$ 23,467

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2018	\$ 89,923	\$ 64,261	\$ 25,662
Changes for the year:			
Service cost	422		422
Interest on total pension liability	6,203		6,203
Differences between expected and actual experience	1,310		1,310
Changes in assumptions	(1,605)		(1,605.0)
Employer contributions		3,627	(3,627)
Member contributions		121	(121)
Net investment income (loss)		2,930	(2,930)
Benefit payments, including refund to employee contributions	(7,806)	(7,806)	
Administrative expenses		(42)	42
Net changes	(1,476)	(1,170)	(306)
Balances as of June 30, 2019	\$ 88,447	\$ 63,091	\$ 25,356

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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 7.375% for fire and police plans, respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Fire Plan

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Fire Net Pension Liability	\$ 33,301	\$ 23,467	\$ 15,044

Police Plan

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Police Net Pension Liability	\$ 33,703	\$ 25,356	\$ 18,209

Schedules of Plan Net Position

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Interfund Elimination	Total
ASSETS					
Cash and cash equivalents	\$ 2,768	\$ 1,972	\$ 1,190	\$	\$ 5,930
Investments	74,775	61,119	5,228		141,122
Accounts receivable			711		711
Total Assets	<u>\$ 77,543</u>	<u>\$ 63,091</u>	<u>\$ 7,129</u>	<u>\$ -</u>	<u>\$ 147,763</u>
LIABILITIES AND NET POSITION					
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>77,543</u>	<u>63,091</u>	<u>7,129</u>		<u>147,763</u>
Total Liabilities and Net Position	<u>\$ 77,543</u>	<u>\$ 63,091</u>	<u>\$ 7,129</u>	<u>\$ -</u>	<u>\$ 147,763</u>

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	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 3,707	\$ 3,627	\$ 5,309	\$ 12,643
Employee	176	121		297
Total contributions	<u>3,883</u>	<u>3,748</u>	<u>5,309</u>	<u>12,940</u>
Investment income:				
Net change in fair value of investments	2,053	1,633	299	3,985
Interest and dividends	<u>1,641</u>	<u>1,297</u>		<u>2,938</u>
Total investment income	<u>3,694</u>	<u>2,930</u>	<u>299</u>	<u>6,923</u>
Total additions	<u>7,577</u>	<u>6,678</u>	<u>5,608</u>	<u>19,863</u>
Deductions:				
Benefits	7,508	7,806	4,598	19,912
Administration	<u>29</u>	<u>42</u>	<u>6</u>	<u>77</u>
Total deductions	<u>7,537</u>	<u>7,848</u>	<u>4,604</u>	<u>19,989</u>
Change in Net Position	40	(1,170)	1,004	(126)
Net Position at Beginning of Year	<u>77,503</u>	<u>64,261</u>	<u>6,125</u>	<u>147,889</u>
Net Position at End of Year	<u>\$ 77,543</u>	<u>\$ 63,091</u>	<u>\$ 7,129</u>	<u>\$ 147,763</u>

B. Municipal Employees' Retirement System

Plan Description

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

Benefit Provisions

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

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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, 2019, the City reports a liability of \$110,555 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2018. The actuarial assumptions used in the June 30, 2018 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, 2019, the City's proportion was 11.56%. The increase in proportion from 2018 was 1.52%.

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 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:

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 165,007	\$ 110,555	\$ 66,333

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Payable to MERS

In addition, the City has also recorded \$27 as a long-term payable to MERS at June 30, 2019. 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, 2019, the City recognized pension expense for the following plans:

	Pension Expense
Police Pension Plan	\$ 2,974
Fire Pension Plan	(2,629)
MERS	<u>45,280</u>
Total	<u>\$ 45,625</u>

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Police Plan	Fire Plan	MERS	Total	MERS
	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$	\$	\$ 8,181	\$ 8,181	\$ (3,210)
City contributions after the measurement date			8,622	8,622	
Change in assumptions			44,088	44,088	
City's employer change in proportional share			2,647	2,647	(2,182)
Net difference between projected and actual earning on pension plan investments	<u>718</u>	<u>1,250</u>	<u>6,705</u>	<u>8,673</u>	
Total Deferred Outflows of Resources	<u>\$ 718</u>	<u>\$ 1,250</u>	<u>\$ 70,243</u>	<u>\$ 72,211</u>	<u>\$ (5,392)</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>
2020	\$ 710	\$ 867	\$ 18,266	\$ 19,843
2021	(539)	(297)	15,043	14,207
2022	200	284	10,225	10,709
2023	347	396	12,695	13,438

D. Connecticut Teachers Retirement System - Pension

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

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Employer (School Districts)

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

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

Employees

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

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

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

At June 30, 2019, 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>234,861</u>
Total	\$	<u><u>234,861</u></u>

The net pension liability was measured as of June 30, 2018, 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, 2019, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the City recognized pension expense and revenue of \$26,359 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	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 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 target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	6.0%	0.4%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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, 2018, these required contributions totaled \$293. 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 as of June 30, 2019 was \$1,584. The changes in the liability during the fiscal year are as follows:

Elected Officials and Pre-72 Police and Fire Employees Plan	
	Increase (Decrease)
	Total Pension Liability
Balances as of June 30, 2018	\$ 1,638
Changes for the year:	
Service costs	665
Interest	57
Differences between expected and actual experience	155
Effect of assumptions changes and inputs	26
Benefit payments, including refund to employee contributions	(293)
Balances as of June 30, 2019	\$ 1,584

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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:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
EOPLAN Pension Liability	\$ 1,661	\$ 1,584	\$ 1,514

For the year ended June 30, 2018, the City recognized pension expense of \$240. 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 pays for post employment health care benefits on a pay-as-you-go basis. As of June 30, 2013, the City has established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City Employees

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

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

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

Board of Education

Teachers - Pre-65 is 100% retiree paid.

Administrator (Local 51) - Effective July 1, 2008 for pre-65 only, the Board will contribute up to 50% of the cost up to a maximum of \$7,500 (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, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 4.84%. 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, 2019. The components of the net OPEB liability of the City at June 30, 2019 were as follows:

Total OPEB Liability	\$	78,295
Plan fiduciary net position		<u>7,129</u>
Net OPEB Liability	\$	<u><u>71,166</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	9.11%
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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.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	45.00%	2.40%
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.

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Changes in the Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability of the City at June 30, 2019 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2018	\$ 57,258	\$ 6,125	\$ 51,133
Changes for the year:			
Service cost	1,603		1,603
Interest on total OPEB liability	3,679		3,679
Differences between expected and actual experience	20,353		20,353
Employer contributions		5,309	(5,309)
Net investment income (loss)		299	(299)
Benefit payments	(4,598)	(4,598)	
Administrative expenses		(6)	6
Net changes	21,037	1,004	20,033
Balances as of June 30, 2019	\$ 78,295	\$ 7,129	\$ 71,166

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

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

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability	\$ 78,186	\$ 71,166	\$ 65,132

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

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

	1% Decrease (4.20% Decreasing to 2.0%)	Healthcare Cost Trend Rates (5.20% Decreasing to 3.0%)	1% Increase (6.20% Decreasing to 4.00%)
Net OPEB Liability	\$ 64,066	\$ 71,166	\$ 79,587

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$7,452. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings	\$ 17,955	\$ -
Total	\$ 17,955	\$ -

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

2020	\$ 2,585
2021	2,585
2022	2,585
2023	2,569
2024	2,544
Thereafter	5,087

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

Plan Description

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

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

Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

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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.

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 (not rounded) will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2019, 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>46,950</u>
Total	\$	<u><u>46,950</u></u>

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

For the year ended June 30, 2019, the City recognized OPEB expenses (revenues) of \$(15,597) 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	2.75%
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, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 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.

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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 (0.27%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. 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.

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11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2019 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	\$	\$	\$	\$ 458	\$ 458
Trust purposes				3,122	3,122
Restricted for:					
Grants			2,601	5,657	8,258
Capital improvements		20,363			20,363
Committed to:					
General government activities				210	210
Capital improvements		23,936			23,936
Public safety programs				135	135
Sewer maintenance				1,764	1,764
Social service programs				54	54
Recreational programs				359	359
Educational programs				5,483	5,483
Assigned to:					
State aid reductions	1,514				1,514
Tax Stabilization	529				529
Library	100				100
Unassigned	<u>22,853</u>	<u>(32,281)</u>		<u>(3,112)</u>	<u>(12,540)</u>
Total Fund Balances	\$ <u>24,996</u>	\$ <u>12,018</u>	\$ <u>2,601</u>	\$ <u>14,130</u>	\$ <u>53,745</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, 2019, the City has seven agreements with vendors under this program. The amount of revenue reduced during the fiscal year for this abatement was \$591.

CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(amounts expressed in thousands)

13. CONTINGENT LIABILITIES

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



Required Supplementary Information

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current Taxes	\$ 127,293	\$ 127,130	\$ 127,130	\$ -
Prior Year Levy	2,000	2,000	4,020	2,020
Interest and liens	1,250	1,250	2,017	767
Supplemental Motor Vehicle	1,100	1,100	1,781	681
Total property taxes	<u>131,643</u>	<u>131,480</u>	<u>134,949</u>	<u>3,469</u>
Intergovernmental revenues (State):				
Special Education	3,150	3,150	3,732	582
Education Equalization	72,311	72,311	73,027	716
BOE Misc	63	36	36	-
State Infraction Distribution	22	24	24	-
Town Aid Road Fund	690	767	767	-
Veterans Exemption Reimbursement	23	24	24	-
Tax Relief for the Elderly	360			-
Disability Exemption		7	7	-
State Property Tax Relief	2,949	2,996	2,996	-
Telephone Access Line Tax Relief	107	106	106	-
Civil Defense	30			-
Off Track Betting	126	132	132	-
State Pilot Private Tax Exempt	2,269	2,067	2,067	-
State Pilot Model Housing		63	63	-
Distressed Municipality	135	266	266	-
Disability Exemption	7			-
MRSA- MV Property Tax Grant	1,202	1,202	1,809	607
Interest Subsidy	457	428	428	-
MRSA - Select Pilot	1,795	1,384	1,384	-
Municipal Stabilization	504	700	2,176	1,476
Legalized Gaming Distribution	1,974	1,981	1,981	-
Dial a Ride	49	49	49	-
Total intergovernmental revenues	<u>88,223</u>	<u>87,693</u>	<u>91,074</u>	<u>3,381</u>
Licenses and permits:				
Building Structures and Equipment	847	1,384	1,384	-
All other license	204	220	220	-
Protection	63	95	95	-
Health	85	121	121	-
Disposal	10	9	9	-
Planning and Zoning	7	9	9	-
Total licenses and permits	<u>1,216</u>	<u>1,838</u>	<u>1,838</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, 2019
(In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Charges for services:				
Town Clerk	\$ 1,128	\$ 1,151	\$ 1,151	\$ -
Recreation	619	451	451	-
Public Safety	2,019	2,027	2,512	485
Parking tickets	1,278	1,257	1,257	-
Property Management	42	34	34	-
Public Works - Project Management	200	264	264	-
Health and Welfare	24	32	32	-
Public Works	521	527	527	-
Parking tickets	450	417	417	-
Senior Center	12	10	10	-
Water Overhead			263	263
Legal				-
Other	65	105	105	-
Total charges for services	<u>6,358</u>	<u>6,275</u>	<u>7,023</u>	<u>748</u>
Total licenses, permits and charges for services	<u>7,574</u>	<u>8,113</u>	<u>8,861</u>	<u>748</u>
Other revenue:				
Investment income	251	274	1,362	1,088
Miscellaneous	178	180	1,961	1,781
Sale of real estate property	100	229	229	-
BAN/Bond premiums	3,165	3,165	3,548	383
Total other revenue	<u>3,694</u>	<u>3,848</u>	<u>7,101</u>	<u>3,253</u>
Total revenues	231,134	231,134	241,985	10,851
Other Financing Sources:				
Transfers in	<u>2,596</u>	<u>2,596</u>	<u>2,334</u>	<u>(262)</u>
Total Budgeted Revenues and Transfers	<u>\$ 233,730</u>	<u>\$ 233,730</u>	244,319	<u>\$ 10,589</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			26,359	
State of Connecticut OPEB expense (revenue) to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			(15,597)	
Net effect of revenues for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			<u>457</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>\$ 255,538</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, 2019
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Legislative	\$ 160	\$ 160	\$ 160	\$ -
Boards and Commissions	2			-
Judicial	118	115	115	-
Elections	443	489	489	-
Mayor's Office	571	597	597	-
Planning and Zoning	191	182	182	-
Finance	3,272	3,643	3,643	-
Recording and Reporting	562	561	561	-
Legal	863	672	672	-
Central Services	25	8	8	-
Total	<u>6,207</u>	<u>6,427</u>	<u>6,427</u>	<u>-</u>
Public Safety:				
Police	22,107	24,317	24,317	-
Fire	17,153	19,151	19,151	-
Lighting	930	947	947	-
Building	700	693	693	-
Civil Preparedness	12	6	6	-
Central Emergency Dispatch	1,888	2,021	2,021	-
Total	<u>42,790</u>	<u>47,135</u>	<u>47,135</u>	<u>-</u>
Public Works:				
Administration	457	440	440	-
Street Services	4,482	4,320	4,320	-
Public Buildings	2,846	2,881	2,881	-
Capital Project	834	713	713	-
Signals and Control	276	258	258	-
Waste Disposal	3,885	3,743	3,743	-
Total	<u>12,780</u>	<u>12,355</u>	<u>12,355</u>	<u>-</u>
Parks and Recreation:				
Administration	6	1	1	-
Forestry	170	120	120	-
Horticulture	234	226	226	-
Maintenance	1,954	1,987	1,987	-
Special Projects	3	3	3	-
Recreation Department	1,521	1,387	1,387	-
Willow Brook Sports Complex	133	99	99	-
City Supported Agencies	3,387	3,387	3,387	-
Cultural Organizations	84	82	82	-
Total	<u>7,492</u>	<u>7,292</u>	<u>7,292</u>	<u>-</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and Social Services:				
Rights and Opportunities Commission	\$ 70	\$ 70	\$ 70	\$ -
Civil Service Commission	228	255	255	-
Nursing	341	318	318	-
Environmental Control	458	418	418	-
Administration	165	163	163	-
Social Services	4	5	5	-
Senior Center	514	495	495	-
Handicap Services	80	67	67	-
Total	<u>1,860</u>	<u>1,791</u>	<u>1,791</u>	<u>-</u>
General Administration:				
Pension and Benefit Contributions	12,902	12,104	19,104	(7,000)
Contingency	2,240			-
Total	<u>15,142</u>	<u>12,104</u>	<u>19,104</u>	<u>(7,000)</u>
Education	<u>126,692</u>	<u>126,778</u>	<u>126,778</u>	<u>-</u>
Debt Service	<u>23,536</u>	<u>22,554</u>	<u>23,587</u>	<u>(1,033)</u>
Total Expenditures	236,499	236,436	244,469	(8,033)
Other Financing Uses:				
Transfers Out	<u>1,231</u>	<u>1,294</u>	<u>1,294</u>	<u>-</u>
Total	\$ <u>237,730</u>	\$ <u>237,730</u>	245,763	\$ <u>(8,033)</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			26,359	
State of Connecticut OPEB expense (revenue) to the Connecticut State Teachers' Retirement System for City Teachers are not budgeted			(15,597)	
Net effect of expenditures for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			<u>464</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>256,989</u>	

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

	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 422	\$ 561	\$ 520	\$ 684	\$ 636	\$ 868
Interest	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	(1,605)	2,600				
Benefit payments, including refunds of member contributions	<u>(7,806)</u>	<u>(7,518)</u>	<u>(7,281)</u>	<u>(7,184)</u>	<u>(6,945)</u>	<u>(8,010)</u>
Net change in total pension liability	<u>(1,476)</u>	<u>2,002</u>	<u>1,425</u>	<u>(207)</u>	<u>4,832</u>	<u>(1,146)</u>
Total pension liability - beginning	<u>89,923</u>	<u>87,921</u>	<u>86,496</u>	<u>86,703</u>	<u>81,871</u>	<u>83,017</u>
Total pension liability - ending	<u>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	3,627	1,419	994	1,350	1,059	1,058
Contributions - member	121	151	170	180	208	255
Net investment income (loss)	2,930	5,379	8,179	(1,213)	1,803	10,805
Benefit payments, including refunds of member contributions	(7,806)	(7,518)	(7,281)	(7,184)	(6,945)	(6,666)
Administrative expense	<u>(42)</u>	<u>(24)</u>	<u>(101)</u>	<u>(112)</u>	<u>(34)</u>	<u>(149)</u>
Net change in plan fiduciary net position	<u>(1,170)</u>	<u>(593)</u>	<u>1,961</u>	<u>(6,979)</u>	<u>(3,909)</u>	<u>5,303</u>
Plan fiduciary net position - beginning	<u>64,261</u>	<u>64,854</u>	<u>62,893</u>	<u>69,872</u>	<u>73,781</u>	<u>68,478</u>
Plan fiduciary net position - ending	<u>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>\$ 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	71.33%	71.46%	73.76%	72.71%	80.59%	90.12%
Covered payroll	\$ 3,158	\$ 2,894	\$ 3,101	\$ 3,891	\$ 3,891	\$ 4,576
Net pension liability as a percentage of covered payroll	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 SIX FISCAL YEARS
FIRE
(In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 476	\$ 550	\$ 512	\$ 715	\$ 665	\$ 759
Interest	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	(3,990)	5,225				
Benefit payments, including refunds of member contributions	<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	(5,983)	5,780	2,143	909	12,456	(979)
Total pension liability - beginning	<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>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	3,707	1,459	1,238	888	531	532
Contributions - member	176	192	208	207	244	289
Net investment income (loss)	3,694	6,132	8,247	(84)	1,887	11,809
Benefit payments, including refunds of member contributions	(7,508)	(7,356)	(6,056)	(6,965)	(6,685)	(6,430)
Administrative expense	<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	40	403	3,476	(6,184)	(4,057)	6,128
Plan fiduciary net position - beginning	<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>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>\$ 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	76.77%	72.44%	76.18%	74.32%	81.30%	97.85%
Covered payroll	\$ 3,324	\$ 3,083	\$ 3,268	\$ 4,105	\$ 4,105	\$ 3,662
Net pension liability as a percentage of covered-employee payroll	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)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,913	\$ 1,913	\$ 1,413	\$ 1,413	\$ 1,594	\$ 1,594	\$ 1,054	\$ 1,054	\$ 743	\$ 743
Contributions in relation to the actuarially determined contribution	3,627	1,419	994	1,360	1,059	1,059	1,054	743	749	85
Contribution Deficiency (Excess)	<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>	<u>\$ 658</u>
Covered payroll	\$ 3,158	\$ 3,101	\$ N/A	\$ 3,891	\$ N/A	\$ 4,576	\$ N/A	\$ 5,866	\$ N/A	\$ 5,829
Contributions as a percentage of covered-employee payroll	114.85%	45.76%	N/A	34.95%	N/A	23.14%	N/A	12.67%	N/A	1.46%

Notes to Schedule

Valuation date: July 1, 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	19 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.75%
Investment rate of return	7.376%
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>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>	<u>2010</u>
Actuarially determined contribution	\$ 2,035	\$ 2,035	\$ 1,459	\$ 1,459	\$ 1,138	\$ 1,138	\$ 531	\$ 531	\$ 450	\$ 450
Contributions in relation to the actuarially determined contribution	<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>	<u>211</u>
Contribution Deficiency (Excess)	<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>	<u>\$ 239</u>
Covered payroll	\$ 3,324	\$ 3,268	\$ N/A	\$ 4,105	\$ N/A	\$ 3,662	\$ N/A	\$ 4,853	\$ N/A	\$ 4,971
Contributions as a percentage of covered-employee payroll	111.52%	44.65%	N/A	21.63%	N/A	14.50%	N/A	9.27%	N/A	4.24%

Notes to Schedule

Valuation date: July 1, 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	19 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 SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:						
Police	4.82%	10.00%	13.71%	-1.80%	2.71%	16.16%
Fire	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 FIVE FISCAL YEARS

	<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%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>234,861</u>	<u>240,213</u>	<u>253,427</u>	<u>191,636</u>	<u>177,129</u>
Total	<u>\$ 234,861</u>	<u>240,213</u>	<u>\$ 253,427</u>	<u>\$ 191,636</u>	<u>\$ 177,129</u>
City's covered payroll	\$ 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%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	61.51%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment-related expense

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

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS**

	2019		2018		2017		2016		2015 as Restated
City's proportion of the net pension liability		11.56%		10.04%		10.04%		10.24%	8.70%
City's proportionate share of the net pension liability	\$	110,555	\$	23,414	\$	33,406	\$	19,741	\$ 8,578
City's covered payroll	\$	60,393	\$	58,700	\$	56,306	\$	50,977	\$ 40,296
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll		183.06%		39.89%		59.33%		38.73%	21.29%
Plan fiduciary net position as a percentage of the total pension liability		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

	<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>	<u>2010</u>
Actuarially determined contribution	\$ 8,622	\$ 8,345	\$ 7,266	\$ 6,949	\$ 5,989	\$ 5,113	\$ 4,886	\$ 4,916	\$ 4,344	\$ 3,341
Contributions in relation to the actuarially determined contribution	<u>8,622</u>	<u>8,345</u>	<u>7,266</u>	<u>6,949</u>	<u>5,989</u>	<u>5,113</u>	<u>4,886</u>	<u>4,916</u>	<u>4,344</u>	<u>3,341</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 payroll	\$ 64,163	\$ 60,393	\$ 58,700	\$ 56,306	\$ 50,977	\$ 40,296	\$ 48,559	\$ 49,978	\$ 49,448	\$ 46,947
Contributions as a percentage of covered employee payroll	13.44%	13.82%	12.38%	12.34%	11.75%	12.69%	10.06%	9.84%	8.78%	7.12%

Notes to Schedule

Valuation date: June 30, 2018

Measurement date: June 30, 2018

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	325.00%
Salary increases	3.5% - 10%, including inflation
Investment rate of return	8%, net of investment related expense
Changes in assumptions	In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

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 THREE FISCAL YEARS
OPEB
(In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability:			
Service cost	\$ 1,603	\$ 1,244	\$ 1,169
Interest	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	(4,598)	(4,681)	(5,643)
Net change in total pension liability	21,037	203	(816)
Total pension liability - beginning	57,258	57,055	57,871
Total pension liability - ending	78,295	57,258	57,055
Plan fiduciary net position:			
Contributions - employer	5,309	5,349	6,143
Net investment income	299	278	353
Benefit payments, including refunds of member contributions	(4,598)	(4,681)	(5,643)
Administrative expense	(6)	(6)	(4)
Net change in plan fiduciary net position	1,004	940	849
Plan fiduciary net position - beginning	6,125	5,185	4,336
Plan fiduciary net position - ending	7,129	6,125	5,185
Net Pension Liability - Ending	\$ <u>71,166</u>	\$ <u>51,133</u>	\$ <u>51,870</u>
Plan fiduciary net position as a percentage of the total pension liability	9.11%	10.70%	9.09%
Covered payroll	\$ 120,589	\$ 129,000	\$ 115,536
Net pension liability as a percentage of covered-employee payroll	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>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>	<u>2010</u>
Actuarially determined contribution	\$ 4,965	\$ 4,784	\$ 6,345	\$ 6,052	\$ 6,671	\$ 6,360	\$ 4,830	\$ 4,594	\$ 4,191	\$ 3,983
Contributions in relation to the actuarially determined contribution	<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>	<u>3,438</u>
Contribution Deficiency (Excess)	<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>	<u>\$ 545</u>
Covered payroll	\$ 120,589	\$ 129,000	\$ 115,536	\$ 104,482	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	N/A	4.15%	5.32%	5.64%	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: July 1, 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	4.00%

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

	2019	2018	2017
Annual money-weighted rate of return, net of investment expense:	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 THREE FISCAL YEARS
ELECTED OFFICIALS AND PRE-1972 POLICE AND FIRE PLAN
(In Thousands)

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

Notes to Schedule

Valuation date	June 30,2018
Measurement date	June 30,2019
Discount Rate	3.50%

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>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>	<u>2010</u>
Actuarially determined contribution	\$ 293	\$ 285	\$ 311	\$ 105	\$ 366	\$ 465	\$ 532	\$ 543	\$ 597	\$ N/A
Contributions in relation to the actuarially determined contribution	<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>	<u>N/A</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-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: 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 TWO FISCAL YEARS

	2019	2018
Town's proportion of the net OPEB liability	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	46,950	61,828
Total	\$ 46,950	\$ 61,828
Town's covered payroll	\$ 71,227	\$ 79,976
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>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, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment-related expense including price inflation

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



Combining and Individual Fund Statements and Schedules



General Fund

GENERAL FUND

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

CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018
(In Thousands)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 41,349	\$ 37,856
Property taxes receivable, net of allowance for uncollectible accounts (\$3,895 for 2019 and 2018)	10,679	10,623
Accounts receivable, net of allowance for uncollectible accounts (\$1,035 for 2019 and 2018)	13,022	13,799
Due from other funds	<u> </u>	<u>3,414</u>
Total Assets	\$ <u>65,050</u>	\$ <u>65,692</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ <u>17,526</u>	\$ <u>17,044</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	21,889	22,201
Advanced property tax collections	<u>639</u>	<u> </u>
Total deferred inflows of resources	<u>22,528</u>	<u>22,201</u>
Fund balance:		
Assigned	2,143	9,208
Unassigned	<u>22,853</u>	<u>17,239</u>
Total fund balance	<u>24,996</u>	<u>26,447</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>65,050</u>	\$ <u>65,692</u>

**CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)**

Grand List Year	Mill Rate	Uncollected Taxes July 1, 2018	Net Lawful		Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions		Taxes	Interest and Lien Fees	Total	
2017		\$	\$ 133,650	* \$ 1	\$ 133,649	\$ 129,106	\$ 808	\$ 129,914	\$ 4,543
2016	50.50	4,184	213		4,397	2,302	527	2,829	2,095
2015	49.00	1,926	187		2,113	628	335	963	1,485
2014	49.00	1,395	2		1,397	205	191	396	1,192
2013	44.12	1,042	1	3	1,040	75	74	149	965
2012	36.63	773		1	772	43	55	98	729
2011	36.63	614		1	613	25	37	62	588
2010	36.63	538			538	25	40	65	513
2009	34.98	512	1	1	512	18	33	51	494
2008	34.98	485		2	483	11	24	35	472
2007	45.89	498			498	7	16	23	491
2006	45.88	596		1	595	8	20	28	587
2005	45.89	564	1		565	10	28	38	555
2004	46.90	495		1	494	5	19	24	489
2003	46.93	417		1	416	5	16	21	411
2002	54.76	479		479	-				-
Total		\$ 14,518	\$ 134,055	\$ 491	\$ 148,082	\$ 132,473	\$ 2,223	\$ 134,696	\$ 15,609

* Includes motor vehicle supplement

Property taxes receivable considered available:

June 30, 2018

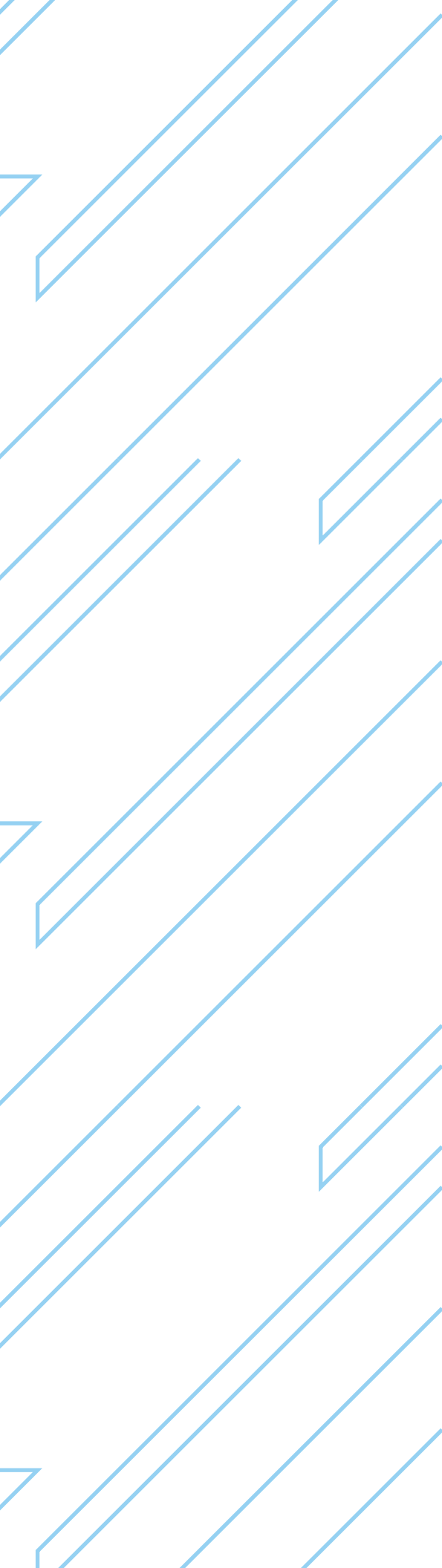
(889)

June 30, 2019

970

Total Collections

\$ 134,777



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(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	\$	\$ 130	\$	\$ 84	\$	\$	\$	\$ 75	\$ 1	\$ 23
Accounts receivable				7,316						
Loans receivable										
Due from other governments							1,023			
Due from other funds										
Inventory										
Total Assets	\$ -	\$ 130	\$ -	\$ 7,400	\$ -	\$ -	\$ 1,023	\$ 75	\$ 1	\$ 23
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 199	\$	\$ 13	\$ 123	\$	\$ 514	\$	\$	\$	\$ 9
Due to other funds	976		651		9	7	509			
Total liabilities	1,175	-	664	123	9	7	1,023	-	-	9
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable				5,513						
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	5,513	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted										
Committed		130		1,764				75	1	14
Unassigned	(1,175)		(664)		(9)	(7)				
Total fund balances	(1,175)	130	(664)	1,764	(9)	(7)	-	75	1	14
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 130	\$ -	\$ 7,400	\$ -	\$ -	\$ 1,023	\$ 75	\$ 1	\$ 23

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds								
	Police Explorers	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant
ASSETS									
Cash and cash equivalents	\$ 5	\$ 35	\$ 11	\$	\$ 5	\$	\$ 15	\$	\$ 29
Accounts receivable									
Loans receivable									
Due from other governments									
Due from other funds									
Inventory									
Total Assets	<u>\$ 5</u>	<u>\$ 35</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 29</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 2	\$ 3	\$	\$ 2	\$	\$ 3
Due to other funds				5		4	23	19	13
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>3</u>	<u>4</u>	<u>25</u>	<u>19</u>	<u>16</u>
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable									
Restricted		35			2				13
Committed	5		11						
Unassigned				(7)		(4)	(10)	(19)	
Total fund balances	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5</u>	<u>\$ 35</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 29</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	System of Care Grant	Historical Records Preservation	21st Century Grant	Property Management	Public Safety	Centralized and Distribution Services	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation
ASSETS										
Cash and cash equivalents	\$	\$ 166	\$ 51	\$ 5	\$	\$	6	\$ 114	\$	415
Accounts receivable										
Loans receivable										
Due from other governments										
Due from other funds										
Inventory										
Total Assets	\$ -	\$ 166	\$ 51	\$ 5	\$ -	\$ -	\$ 6	\$ 114	\$ -	\$ 415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$ 31	\$ 10	\$	\$	\$	\$	\$	\$	\$
Due to other funds	28				110	236			27	
Total liabilities	28	31	10	-	110	236	-	-	27	-
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted			41	5				114		
Committed		135					6			415
Unassigned	(28)				(110)	(236)			(27)	
Total fund balances	(28)	135	41	5	(110)	(236)	6	114	(27)	415
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 166	\$ 51	\$ 5	\$ -	\$ -	\$ 6	\$ 114	\$ -	\$ 415

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day
ASSETS										
Cash and cash equivalents	\$ 3	\$ 210	\$ 43	\$ 44	\$	\$ 601	\$ 30	\$	\$ 80	\$ 14
Accounts receivable		2								
Loans receivable										
Due from other governments										
Due from other funds						115		861		
Inventory										
Total Assets	<u>\$ 3</u>	<u>\$ 212</u>	<u>\$ 43</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 716</u>	<u>\$ 30</u>	<u>\$ 861</u>	<u>\$ 80</u>	<u>\$ 14</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$ 1	\$ 1	\$	\$ 12	\$	\$	\$ 1	\$
Due to other funds					358					
Total liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>358</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted	3			43		704		861	79	
Committed		212	42				30			14
Unassigned					(358)					
Total fund balances	<u>3</u>	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3</u>	<u>\$ 212</u>	<u>\$ 43</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 716</u>	<u>\$ 30</u>	<u>\$ 861</u>	<u>\$ 80</u>	<u>\$ 14</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds								
	Assistance to CCSU Police Department	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic
ASSETS									
Cash and cash equivalents	\$	\$ 23	\$ 118	\$	\$	17	\$ 4,546	\$ 132	\$ 201
Accounts receivable				35					
Loans receivable									
Due from other governments							1,316		
Due from other funds			2,358						
Inventory							458		
Total Assets	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 2,476</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 6,320</u>	<u>\$ 132</u>	<u>\$ 201</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$ 2,532	\$ 5	\$	\$	2	\$	
Due to other funds	56			170	26				
Total liabilities	<u>56</u>	<u>-</u>	<u>2,532</u>	<u>175</u>	<u>26</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable							458		
Restricted		23					1,316		
Committed						17	4,544	132	201
Unassigned	(56)		(56)	(140)	(26)				
Total fund balances	<u>(56)</u>	<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>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 2,476</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 6,320</u>	<u>\$ 132</u>	<u>\$ 201</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	Adult Education	Summer School Music	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition
ASSETS										
Cash and cash equivalents	\$ 141	\$ 39	\$ 22	\$ 18	\$	601	\$ 632	\$ 135	\$ 47	\$ 98
Accounts receivable				12		664	101	935		
Loans receivable						1,040	2,515	31		
Due from other governments										
Due from other funds										
Inventory										
Total Assets	<u>\$ 141</u>	<u>\$ 39</u>	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,305</u>	<u>\$ 3,248</u>	<u>\$ 1,101</u>	<u>\$ 47</u>	<u>\$ 98</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$ 22	\$ 82	\$ 10	\$ 83	\$ 117	\$	\$	
Due to other funds					29					
Total liabilities	<u>-</u>	<u>-</u>	<u>22</u>	<u>82</u>	<u>39</u>	<u>83</u>	<u>117</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable						1,040	2,524	954		
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,040</u>	<u>2,524</u>	<u>954</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted										
Committed	141	39				1,182	607	147	47	98
Unassigned				(52)	(39)					
Total fund balances	<u>141</u>	<u>39</u>	<u>-</u>	<u>(52)</u>	<u>(39)</u>	<u>1,182</u>	<u>607</u>	<u>147</u>	<u>47</u>	<u>98</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 141</u>	<u>\$ 39</u>	<u>\$ 22</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,305</u>	<u>\$ 3,248</u>	<u>\$ 1,101</u>	<u>\$ 47</u>	<u>\$ 98</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery
ASSETS										
Cash and cash equivalents	\$ 6	\$ 4	\$ 47	\$ -	\$ -	\$ 311	\$ 1,321	\$ 1,551	\$ 13	\$ 250
Accounts receivable										
Loans receivable										
Due from other governments										
Due from other funds										
Inventory										
Total Assets	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ 1,321</u>	<u>\$ 1,551</u>	<u>\$ 13</u>	<u>\$ 250</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 12	\$ 9	\$ -	\$ 13	\$ 44	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds										
Total liabilities	<u>12</u>	<u>9</u>	<u>-</u>	<u>13</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable							1,321	1,551		250
Restricted						311				
Committed			47						13	
Unassigned	(6)	(5)		(13)	(53)					
Total fund balances	<u>(6)</u>	<u>(5)</u>	<u>47</u>	<u>(13)</u>	<u>(53)</u>	<u>311</u>	<u>1,321</u>	<u>1,551</u>	<u>13</u>	<u>250</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ 1,321</u>	<u>\$ 1,551</u>	<u>\$ 13</u>	<u>\$ 250</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Special Revenue Funds								Total Nonmajor Governmental Funds	
	Arts Fund	America the Beautiful Forestry	Cops Hiring Grant	Camp Schade	Cold Weather Shelter	Busway Bike Trails	Opioid Fund	Total	Interfund Eliminations	
ASSETS										
Cash and cash equivalents	\$ 11	\$ 10	\$	\$	6	16	\$	12,463	\$	12,463
Accounts receivable								9,113		9,113
Loans receivable								3,586		3,586
Due from other governments								2,339		2,339
Due from other funds								3,334	(3,334)	-
Inventory								458		458
Total Assets	\$ 11	\$ 10	\$ -	\$ -	\$ 6	\$ 16	\$ -	\$ 31,293	\$ (3,334)	\$ 27,959
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$	\$	\$	\$	\$	3,798	\$	3,798
Due to other funds				10			2	3,334	(3,334)	-
Total liabilities	-	-	-	10	-	-	2	7,132	(3,334)	3,798
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable								5,513		5,513
Unavailable revenue - loans receivable								4,518		4,518
Total deferred inflows of resources	-	-	-	-	-	-	-	10,031	-	10,031
Fund Balances:										
Nonspendable								3,580		3,580
Restricted		10				16		5,657		5,657
Committed	11				6			8,005		8,005
Unassigned				(10)			(2)	(3,112)		(3,112)
Total fund balances	11	10	-	(10)	6	16	(2)	14,130	-	14,130
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11	\$ 10	\$ -	\$ -	\$ 6	\$ 16	\$ -	\$ 31,293	\$ (3,334)	\$ 27,959

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(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	\$	\$	\$	\$	\$	\$	1,693	\$	\$	150
Investment earnings			70							
Licenses, fees and charges for goods and services	1,745	61	306	10,365						
Other revenues										
Total revenues	<u>1,745</u>	<u>61</u>	<u>376</u>	<u>10,365</u>	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>150</u>
Expenditures:										
General government										
Public safety		41								
Public works				9,445			1,693			
Health and welfare			483							
Parks, recreation and libraries	1,723									152
Education										
Total expenditures	<u>1,723</u>	<u>41</u>	<u>483</u>	<u>9,445</u>	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>152</u>
Excess (Deficiency) of Revenues over Expenditures	<u>22</u>	<u>20</u>	<u>(107)</u>	<u>920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out	(1)		(12)	(967)						
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>(12)</u>	<u>(967)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	21	20	(119)	(47)	-	-	-	-	-	(2)
Fund Balances at Beginning of Year	<u>(1,196)</u>	<u>110</u>	<u>(545)</u>	<u>1,811</u>	<u>(9)</u>	<u>(7)</u>	<u>-</u>	<u>75</u>	<u>1</u>	<u>16</u>
Fund Balances at End of Year	<u><u>\$ (1,175)</u></u>	<u><u>\$ 130</u></u>	<u><u>\$ (664)</u></u>	<u><u>\$ 1,764</u></u>	<u><u>\$ (9)</u></u>	<u><u>\$ (7)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 75</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 14</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, 2019
(In Thousands)

	Special Revenue Funds								
	Police Explorers	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant
Revenues:									
Intergovernmental revenue	\$	\$ 18	\$	\$ 152	\$ 169	\$ 25	\$ 88	\$	\$ 50
Investment earnings									
Licenses, fees and charges for goods and services									
Other revenues	21								
Total revenues	<u>21</u>	<u>18</u>	<u>-</u>	<u>152</u>	<u>169</u>	<u>25</u>	<u>88</u>	<u>-</u>	<u>50</u>
Expenditures:									
General government									
Public safety	27								
Public works									
Health and welfare		9					88		50
Parks, recreation and libraries				169	169	23			
Education									
Total expenditures	<u>27</u>	<u>9</u>	<u>-</u>	<u>169</u>	<u>169</u>	<u>23</u>	<u>88</u>	<u>-</u>	<u>50</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6)</u>	<u>9</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(6)</u>	<u>9</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at Beginning of Year	<u>11</u>	<u>26</u>	<u>11</u>	<u>10</u>	<u>2</u>	<u>(6)</u>	<u>(10)</u>	<u>(19)</u>	<u>13</u>
Fund Balances at End 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>

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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, 2019
(In Thousands)

	Special Revenue Funds									
	System of Care Grant	Historical Records Preservation	21st Century Grant	Property Management	Public Safety	Centralized and Distribution Services	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation
Revenues:										
Intergovernmental revenue	\$	\$ 53	\$ 174	\$	\$	\$	\$	\$	\$ 59	\$
Investment earnings										
Licenses, fees and charges for goods and services							3			108
Other revenues							3			
Total revenues	-	53	174	-	-	-	3	-	59	108
Expenditures:										
General government		59								
Public safety									17	
Public works										
Health and welfare										124
Parks, recreation and libraries			165				1			
Education										
Total expenditures	-	59	165	-	-	-	1	-	17	124
Excess (Deficiency) of Revenues over Expenditures	-	(6)	9	-	-	-	2	-	42	(16)
Other Financing Sources (Uses):										
Transfers in										432
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	432
Net Change in Fund Balances	-	(6)	9	-	-	-	2	-	42	416
Fund Balances at Beginning of Year	(28)	141	32	5	(110)	(236)	4	114	(69)	(1)
Fund Balances at End of Year	<u>\$ (28)</u>	<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>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day
Revenues:										
Intergovernmental revenue	\$ 16	\$	\$	76	96	659	\$	200	8	\$
Investment earnings										
Licenses, fees and charges for goods and services							4			
Other revenues		82	7							
Total revenues	16	82	7	76	96	659	4	200	8	-
Expenditures:										
General government										
Public safety					123	561		63		
Public works										
Health and welfare	16			86					25	
Parks, recreation and libraries		50	9				6			
Education										
Total expenditures	16	50	9	86	123	561	6	63	25	-
Excess (Deficiency) of Revenues over Expenditures	-	32	(2)	(10)	(27)	98	(2)	137	(17)	-
Other Financing Sources (Uses):										
Transfers in								335		
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	335	-	-
Net Change in Fund Balances	-	32	(2)	(10)	(27)	98	(2)	472	(17)	-
Fund Balances at Beginning of Year	3	180	44	53	(331)	606	32	389	96	14
Fund Balances at End of Year	\$ 3	\$ 212	\$ 42	\$ 43	\$ (358)	\$ 704	\$ 30	\$ 861	\$ 79	\$ 14

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Special Revenue Funds								
	Assistance to CCSU Police Department	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic
Revenues:									
Intergovernmental revenue	\$	\$	\$ 2,976	\$ 174	\$	\$	\$ 8,860	\$	\$
Investment earnings									
Licenses, fees and charges for goods and services							402	52	120
Other revenues						12			
Total revenues	-	-	2,976	174	-	12	9,262	52	120
Expenditures:									
General government									
Public safety									
Public works			3,043	277					
Health and welfare									
Parks, recreation and libraries					84				
Education						10	8,118	105	102
Total expenditures	-	-	3,043	277	84	10	8,118	105	102
Excess (Deficiency) of Revenues over Expenditures	-	-	(67)	(103)	(84)	2	1,144	(53)	18
Other Financing Sources (Uses):									
Transfers in					83				
Transfers out									
Total other financing sources (uses)	-	-	-	-	83	-	-	-	-
Net Change in Fund Balances	-	-	(67)	(103)	(1)	2	1,144	(53)	18
Fund Balances at Beginning of Year	(56)	23	11	(37)	(25)	15	5,174	185	183
Fund Balances at End of Year	<u>\$ (56)</u>	<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>

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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, 2019
(In Thousands)

	Special Revenue Funds									
	Adult Education	Summer School Music	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	1,533	\$ 312	\$ 1,476	\$	\$
Investment earnings							1			
Licenses, fees and charges for goods and services	11	7				45				
Other revenues						174	301			
Total revenues	<u>11</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,752</u>	<u>614</u>	<u>1,476</u>	<u>-</u>	<u>-</u>
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare						1,723	639	1,498		
Parks, recreation and libraries										
Education	9	2								
Total expenditures	<u>9</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,723</u>	<u>639</u>	<u>1,498</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>(25)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2	5	-	-	-	29	(25)	(22)	-	-
Fund Balances at Beginning of Year	<u>139</u>	<u>34</u>	<u>-</u>	<u>(52)</u>	<u>(39)</u>	<u>1,153</u>	<u>632</u>	<u>169</u>	<u>47</u>	<u>98</u>
Fund Balances at End of Year	<u>\$ 141</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ (39)</u>	<u>\$ 1,182</u>	<u>\$ 607</u>	<u>\$ 147</u>	<u>\$ 47</u>	<u>\$ 98</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Special Revenue Funds									
	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Investment earnings						11	58	90		13
Licenses, fees and charges for goods and services										
Other revenues										
Total revenues	-	-	-	-	-	11	58	90	-	13
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare										
Parks, recreation and libraries						15	69	110		16
Education										
Total expenditures	-	-	-	-	-	15	69	110	-	16
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	(4)	(11)	(20)	-	(3)
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-	(4)	(11)	(20)	-	(3)
Fund Balances at Beginning of Year	(6)	(5)	47	(13)	(53)	315	1,332	1,571	13	253
Fund Balances at End of Year	\$ (6)	\$ (5)	\$ 47	\$ (13)	\$ (53)	\$ 311	\$ 1,321	\$ 1,551	\$ 13	\$ 250

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Special Revenue Funds								Total Nonmajor Governmental Funds	
	Arts Fund	America the Beautiful Forestry	Cops Hiring Grant	Camp Schade	Cold Weather Shelter	Busway Bike Trails	Opioid Fund	Total	Interfund Eliminations	
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	38	\$	19,055	\$	19,055
Investment earnings								243		243
Licenses, fees and charges for goods and services								13,118		13,118
Other revenues								708		708
Total revenues	-	-	-	-	-	38		33,124	-	33,124
Expenditures:										
General government								59		59
Public safety								832		832
Public works								14,458		14,458
Health and welfare							2	4,743		4,743
Parks, recreation and libraries		(5)						2,756		2,756
Education								8,346		8,346
Total expenditures	-	(5)	-	-	-	-	2	31,194	-	31,194
Excess (Deficiency) of Revenues over Expenditures	-	5	-	-	-	38	(2)	1,930	-	1,930
Other Financing Sources (Uses):										
Transfers in								850		850
Transfers out								(980)		(980)
Total other financing sources (uses)	-	-	-	-	-	-	-	(130)	-	(130)
Net Change in Fund Balances	-	5	-	-	-	38	(2)	1,800	-	1,800
Fund Balances at Beginning of Year	11	5	-	(10)	6	(22)		12,330	-	12,330
Fund Balances at End of Year	\$ 11	\$ 10	\$ -	\$ (10)	\$ 6	\$ 16	\$ (2)	\$ 14,130	\$ -	\$ 14,130



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, 2019

(In Thousands)

Project Description	Amended Budget	Current Year Expenditures and Transfers	Cumulative Expenditures	Available Budget
Capital Equipment Reserve #004	\$ 30,718	\$ 2,451	\$ 25,567	\$ 5,151
Capital and Nonrecurring #003	30,821	39	30,729	92
Subway #005		6	1,349	(1,349)
Sewer Capital Projects	4,510	1,126	1,714	2,796
New Britain High School	16,595		16,515	80
Diloretto School Renovation	10,000		9,698	302
Gaffney School Renovation	30,000	1	28,148	1,852
Various BOE Projects	9,935		9,275	660
School Security Upgrade	573		550	23
Smalley Academy Renovations	48,000	27,908	31,917	16,083
Badolato & Szczesny Garage Repairs	6,775		5,923	852
Technology Bond	3,180	258	2,794	386
Storm Water System Improvements	4,750	68	4,162	588
Environmental Remediation	8,150		8,151	(1)
Street Infrastructure	34,193	395	31,159	3,034
Transfer Station Rehab	2,378		1,724	654
Broad Street Reconstruction	13,300	7	12,598	702
Fafnir Smart Park Expansion	3,250		2,864	386
Willow Street Project		2	5,480	(5,480)
Bridge Program	2,425		1,086	1,339
Pinnacle Heights	7,946		7,856	90
Sewer I&I Improvements	17,775		14,921	2,854
Beaver St Reconstruction	1,000		764	236
New Police Station	38,850		38,418	432
2011 Revaluation	500		456	44
Fairview Cemetery Fence	275	11	239	36
AW Stanley Pool	5,800	2,914	5,752	48
Stanley Golf Course Irrigation	2,000		1,970	30
Telecommunications	5,750		5,500	250
City Wide Facilities PW	1,177	57	1,022	155
Willow Brook Park Improvements	3,329	23	3,273	56
City Wide Park ADA Improvements	875		873	2
City Wide Park Improvements	990	18	920	70
Beehive Stadium Improvements	1,495	11	1,366	129
Chesley Park Improvements	2,075		1,820	255
Telecommunications	1,400		329	1,071
Streetscape Improvements	18,088	6,120	16,208	1,880
Arch Street Improvements	1,200	34	333	867
Broad Street Reconstruction Phase 2	4,350	12	4,047	303
Elam Street Water Tank	5,395		3,081	2,314
NB Stadium Renovations	795		696	99
Water Projects and Improvements	1,283	450	450	833
Various Capital Improvements	23,320	2,965	2,965	20,355
EMS Ambulances	400		353	47
Total	\$ 405,621	\$ 44,876	\$ 345,015	\$ 60,606



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, 2019
(In Thousands)

	<u>Special Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Interfund Elimination</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 3,939	\$ 6,746	\$	\$ 1,500	\$	\$ 12,185
Investments			17,033	2,577		19,610
Due from other funds	6,090				(6,090)	-
Accounts receivable		31				31
Total Assets	<u>\$ 10,029</u>	<u>\$ 6,777</u>	<u>\$ 17,033</u>	<u>\$ 4,077</u>	<u>\$ (6,090)</u>	<u>\$ 31,826</u>
LIABILITIES AND NET POSITION						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,489	\$ 572	\$	\$	\$	\$ 2,061
Due to other funds			6,090		(6,090)	-
Claim reserves		780	11,098	2,970		14,848
Total liabilities	1,489	1,352	17,188	2,970	(6,090)	16,909
Net Position	<u>8,540</u>	<u>5,425</u>	<u>(155)</u>	<u>1,107</u>		<u>14,917</u>
Total Liabilities and Net Position	<u>\$ 10,029</u>	<u>\$ 6,777</u>	<u>\$ 17,033</u>	<u>\$ 4,077</u>	<u>\$ (6,090)</u>	<u>\$ 31,826</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, 2019
(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Total
Operating Revenues:					
Charges to other funds	\$ 18,242	\$ 14,643	\$ 3,577	\$	\$ 36,462
Other revenues		1,987		42	2,029
Total operating revenues	<u>18,242</u>	<u>16,630</u>	<u>3,577</u>	<u>42</u>	<u>38,491</u>
Operating Expenses:					
Claims incurred	19,874	10,519	2,742	14	33,149
Administrative costs	764	703	280	20	1,767
Total operating expenses	<u>20,638</u>	<u>11,222</u>	<u>3,022</u>	<u>34</u>	<u>34,916</u>
Operating Income (Loss)	(2,396)	5,408	555	8	3,575
Nonoperating Revenues (Expenses):					
Interest and dividends			1,073	179	1,252
Income Before Transfers	<u>(2,396)</u>	<u>5,408</u>	<u>1,628</u>	<u>187</u>	<u>4,827</u>
Change in Net Position	(2,396)	5,408	1,628	187	4,827
Net Position at Beginning of Year	<u>10,936</u>	<u>17</u>	<u>(1,783)</u>	<u>920</u>	<u>10,090</u>
Net Position at End of Year	<u>\$ 8,540</u>	<u>\$ 5,425</u>	<u>\$ (155)</u>	<u>\$ 1,107</u>	<u>\$ 14,917</u>

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Special Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Cash received from charges to other funds	\$ 18,242	\$ 14,643	\$ 3,577	\$	\$ 36,462
Cash received from other operating activities		1,960		42	2,002
Cash paid for premiums and other operating expenses	(764)	(703)	(280)	(20)	(1,767)
Cash payments for claims made	(19,792)	(9,998)	(2,742)	(14)	(32,546)
Net cash provided by (used in) operating activities	<u>(2,314)</u>	<u>5,902</u>	<u>555</u>	<u>8</u>	<u>4,151</u>
Cash Flows from Noncapital Financing Activities:					
Cash received from other funds	6,809		6,090		12,899
Cash paid to other funds	(6,090)		(6,809)		(12,899)
Net cash provided by (used in) noncapital financing activities	<u>719</u>		<u>(719)</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest income			1,073	179	1,252
Actuarial claims reserve		(71)	32	(6)	(45)
Purchase of investments			(941)	(158)	(1,099)
Sale of investments					-
Net cash provided by (used in) investing activities	<u>-</u>	<u>(71)</u>	<u>164</u>	<u>15</u>	<u>108</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,595)	5,831	-	23	4,259
Cash and Cash Equivalents at Beginning of Year	<u>5,534</u>	<u>915</u>	<u>-</u>	<u>1,477</u>	<u>7,926</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,939</u>	<u>\$ 6,746</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 12,185</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ (2,396)	\$ 5,408	\$ 555	\$ 8	\$ 3,575
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in accounts receivable and accrued expenses	82	(27)			(27)
Total adjustments	<u>82</u>	<u>521</u>	<u>-</u>	<u>-</u>	<u>603</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (2,314)</u>	<u>\$ 5,902</u>	<u>\$ 555</u>	<u>\$ 8</u>	<u>\$ 4,151</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, 2019
(In Thousands)**

	<u>Firemen's Pension Fund</u>	<u>Police Benefit Fund</u>	<u>OPEB Trust Fund</u>	<u>Interfund Elimination</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,768	\$ 1,972	\$ 1,190	\$	\$ 5,930
Investments	74,775	61,119	5,228		141,122
Accounts receivable			711		711
Total Assets	<u>\$ 77,543</u>	<u>\$ 63,091</u>	<u>\$ 7,129</u>	<u>\$ -</u>	<u>\$ 147,763</u>
LIABILITIES AND NET POSITION					
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>77,543</u>	<u>63,091</u>	<u>7,129</u>		<u>147,763</u>
Total Liabilities and Net Position	<u>\$ 77,543</u>	<u>\$ 63,091</u>	<u>\$ 7,129</u>	<u>\$ -</u>	<u>\$ 147,763</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, 2019
(In Thousands)

	Firemen's Pension Fund	Police Benefit Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 3,707	\$ 3,627	\$ 5,309	\$ 12,643
Employee	176	121		297
Total contributions	<u>3,883</u>	<u>3,748</u>	<u>5,309</u>	<u>12,940</u>
Investment income:				
Net change in fair value of investments	2,053	1,633	299	3,985
Interest and dividends	<u>1,641</u>	<u>1,297</u>		<u>2,938</u>
Total investment income	<u>3,694</u>	<u>2,930</u>	<u>299</u>	<u>6,923</u>
Total additions	<u>7,577</u>	<u>6,678</u>	<u>5,608</u>	<u>19,863</u>
Deductions:				
Benefits	7,508	7,806	4,598	19,912
Administration	<u>29</u>	<u>42</u>	<u>6</u>	<u>77</u>
Total deductions	<u>7,537</u>	<u>7,848</u>	<u>4,604</u>	<u>19,989</u>
Change in Net Position	40	(1,170)	1,004	(126)
Net Position at Beginning of Year	<u>77,503</u>	<u>64,261</u>	<u>6,125</u>	<u>147,889</u>
Net Position at End of Year	<u>\$ 77,543</u>	<u>\$ 63,091</u>	<u>\$ 7,129</u>	<u>\$ 147,763</u>

CITY OF NEW BRITAIN, CONNECTICUT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Contractor's Bond Fund				
Assets:				
Cash and cash equivalents	\$ <u>457</u>	\$ <u>7</u>	\$ <u>153</u>	\$ <u>311</u>
Liabilities:				
Due to beneficiaries	\$ <u>457</u>	\$ <u>7</u>	\$ <u>153</u>	\$ <u>311</u>
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ <u>354</u>	\$ <u>905</u>	\$ <u>848</u>	\$ <u>411</u>
Liabilities:				
Due to beneficiaries	\$ <u>354</u>	\$ <u>905</u>	\$ <u>848</u>	\$ <u>411</u>
Downtown District				
Assets:				
Cash and cash equivalents	\$ <u>41</u>	\$ <u>203</u>	\$ <u>211</u>	\$ <u>33</u>
Liabilities:				
Due to beneficiaries and others	\$ <u>41</u>	\$ <u>203</u>	\$ <u>211</u>	\$ <u>33</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ <u>852</u>	\$ <u>1,115</u>	\$ <u>1,212</u>	\$ <u>755</u>
Liabilities:				
Due to beneficiaries	\$ <u>852</u>	\$ <u>1,115</u>	\$ <u>1,212</u>	\$ <u>755</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 111,159	\$ 132,508	\$ 118,980	\$ 138,395	\$ 138,868	\$ 125,383	\$ 151,122	\$ 147,800	\$ 137,210	\$ 153,258
Restricted	3,580	3,466	3,392	3,814	3,311	2,855	8,281	8,109	2,883	2,483
Unrestricted	(94,000)	(105,212)	(47,898)	(62,371)	(94,349)	(25,437)	(42,371)	(47,512)	(27,443)	(50,521)
Total governmental activities net position	20,739	30,762	74,474	79,838	47,830	102,801	117,032	108,397	112,650	105,220
Business-type activities:										
Net investment in capital assets	43,064	42,429	42,120	41,799	41,387	41,058	39,737	39,381	27,883	27,181
Unrestricted	10,295	8,422	8,540	8,710	7,901	6,415	11,171	11,550	20,425	24,519
Total business-type activities net position	53,359	50,851	50,660	50,509	49,288	47,473	50,908	50,931	48,308	51,700
Primary government:										
Net investment in capital assets	154,223	174,937	161,100	180,194	180,255	166,441	190,859	187,181	165,093	180,439
Restricted	3,580	3,466	3,392	3,814	3,311	2,855	8,281	8,109	2,883	2,483
Unrestricted	(83,705)	(96,790)	(39,358)	(53,661)	(86,448)	(19,022)	(31,200)	(35,962)	(7,018)	(26,002)
Total Primary Government Net Position	\$ 74,098	\$ 81,613	\$ 125,134	\$ 130,347	\$ 97,118	\$ 150,274	\$ 167,940	\$ 159,328	\$ 160,958	\$ 156,920

Notes:

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

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
General government	\$ 33,074	\$ 7,405	\$ 10,235	\$ 12,907	\$ 3,687	\$ 15,087	\$ 11,539	\$ 12,124	\$ 12,083	\$ 8,596
Public safety	61,767	70,452	55,681	57,112	56,019	50,893	42,461	45,290	41,086	40,102
Public works	36,814	26,444	31,637	20,661	28,358	31,236	26,025	20,309	23,171	25,668
Health and welfare	7,322	6,485	5,953	6,746	6,605	6,633	6,188	6,574	8,225	8,643
Parks, recreation and libraries	9,275	2,115	12,624	13,857	15,804	13,304	10,647	13,077	11,462	11,348
Education	196,522	203,025	167,194	194,594	182,914	185,208	168,740	164,084	173,807	163,027
Interest on long-term debt	7,167	11,490	7,108	14,585	26,172	11,386	11,553	14,052	10,907	10,036
Total governmental activities expenses	351,941	327,416	290,432	320,462	319,559	313,747	277,153	275,510	280,741	267,420
Business-type activities:										
Water	9,639	9,274	10,450	9,446	8,922	5,176	11,242	10,236	10,432	10,560
Total Primary Government Expenses	\$ 361,580	\$ 336,690	\$ 300,882	\$ 329,908	\$ 328,481	\$ 318,923	\$ 288,395	\$ 285,746	\$ 291,173	\$ 277,980
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,787	\$ 2,045	\$ 2,233	\$ 1,966	\$ 1,594	\$ 1,586	\$ 788	\$ 1,632	\$ 969	\$ 1,209
Public safety	3,670	3,471	3,726	4,027	3,185	4,207	4,202	3,810	2,140	2,593
Public works	15,679	13,204	13,512	12,534	12,943	13,385	12,697	11,820	12,818	12,387
Health and welfare	737	479	484	484	712	684	837	877	96	450
Parks, recreation and libraries	2,191	2,415	2,303	2,507	2,820	2,553	2,655	3,057	2,667	3,085
Education	1,287	450	529	594	943	744	596	507	777	1,586
Operating grants and contributions	146,678	159,712	117,079	147,578	139,486	139,955	131,215	122,717	135,289	129,213
Capital grants and contributions	18,625	7,063	3,484	23,232	7,737	5,619	1,984	2,632	2,080	1,248
Total governmental activities program revenues	190,654	188,839	143,350	192,922	169,420	168,733	154,974	147,052	156,836	151,771
Business-type activities:										
Charges for services	13,498	10,816	11,915	11,912	11,734	10,498	12,472	12,840	12,012	12,394
Capital grants and contributions										
Total business-type activities revenues	13,498	10,816	11,915	11,912	11,734	10,498	12,472	12,840	12,012	12,394
Total Primary Government Program Revenues	\$ 204,152	\$ 199,655	\$ 155,265	\$ 204,834	\$ 181,154	\$ 179,231	\$ 167,446	\$ 159,892	\$ 168,848	\$ 164,165
Net (Expense) Revenue:										
Governmental activities	\$ (161,287)	\$ (138,577)	\$ (147,082)	\$ (127,540)	\$ (150,139)	\$ (145,014)	\$ (122,179)	\$ (128,458)	\$ (123,905)	\$ (115,649)
Business-type activities	3,859	1,542	1,465	2,466	2,812	5,322	1,230	2,604	1,580	1,834
Total Primary Government Net Expense	\$ (157,428)	\$ (137,035)	\$ (145,617)	\$ (125,074)	\$ (147,327)	\$ (139,692)	\$ (120,949)	\$ (125,854)	\$ (122,325)	\$ (113,815)

(Continued on next page)

TABLE 2

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	\$ 134,636	126,741	\$ 121,948	\$ 127,292	\$ 121,333	\$ 108,112	\$ 112,865	\$ 106,069	\$ 108,741	\$ 104,280
Grants and contributions not restricted to specific purposes	13,035	15,130	18,200	11,528	10,974	11,105	10,184	11,024	10,557	11,177
Unrestricted investment earnings	245	1,508	2,244	466	1,016	3,562	2,092	870	6,070	4,249
Transfer							1,263		5,000	263
Miscellaneous	1,994	186	185	3,101	1,947	1,341	4,410	3,654	967	768
Total governmental activities	<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>	<u>120,737</u>
Business-type activities:										
Unrestricted investment earnings	3	4	3	5	3	9	10	19	28	50
Transfer							(1,263)		(5,000)	(263)
Total business-type activities	<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>	<u>(213)</u>
Total Primary Government	<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>	<u>\$ 120,524</u>
Changes in Net Position:										
Governmental activities	\$ (10,023)	6,343	\$ (3,188)	\$ 16,097	\$ (13,869)	\$ (14,231)	\$ 8,635	\$ (6,841)	\$ 7,430	\$ 5,088
Business-type activities	<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>	<u>1,621</u>
Total Primary Government	<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>	<u>\$ 6,709</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	1,372
Unreserved										7,655
Committed									5	
Assigned	2,143	9,208	17,294	3,165				41	379	
Unassigned	<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>\$ 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>	<u>\$ 9,027</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	2,489
Unreserved, reported in:										
Special revenue funds										6,333
Capital projects funds										(31,257)
Nonspendable	3,580	3,466	3,392	3,033	3,212	3,095	2,038	2,890	2,883	
Restricted	28,621	27,387	16,946	15,361	14,969	10,102	6,573	5,464	5,697	
Committed	31,941	13,630	17,105	4,714	2,827	1,796	1,138	898	2,331	
Assigned								41		
Unassigned	<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>\$ 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>	<u>\$ (22,435)</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property taxes	\$ 134,949	\$ 124,516	\$ 124,302	\$ 122,687	\$ 119,390	\$ 108,353	\$ 114,381	\$ 110,013	\$ 106,904	\$ 103,052
Intergovernmental	177,300	180,212	177,793	182,139	154,502	157,325	148,476	137,303	150,216	141,888
Licenses, fees and charges for goods and services	23,280	21,626	21,740	21,909	20,312	23,803	21,494	21,632	19,529	21,010
Income on investments	2,107	1,107	890	205	192	774	618	308	3,504	2,843
Miscellaneous	3,772	2,013	669	3,055	5,793	1,904	4,410	3,654	1,123	3,135
Total revenues	<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>	<u>271,928</u>
Expenditures:										
General government	6,484	6,576	6,121	5,294	5,792	5,574	10,057	11,027	7,012	6,559
Public safety	48,189	41,586	41,338	34,532	33,478	32,834	41,442	43,589	40,696	39,852
Public works	26,814	23,335	20,678	21,386	18,587	21,794	19,237	23,536	21,998	33,515
Social services	6,888	5,780	4,959	6,014	5,709	4,524	6,181	6,584	8,187	8,666
Education	186,424	201,949	200,048	186,620	180,080	177,987	164,743	160,477	168,532	161,745
Parks and recreation	10,048	9,905	9,836	10,132	10,135	8,822	10,064	12,569	10,918	10,852
Other									1,194	
Capital outlay	45,128	11,509	12,451	19,159	39,041	25,558	24,125	30,378	16,971	581
Debt service interest	29,308	28,491	23,062	18,356	16,885	29,803	11,680	9,433	10,083	10,631
Debt service principal	16,580	16,580	16,580	16,580	16,580	16,580	17,925	22,384	15,024	15,507
Total expenditures	<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>	<u>287,908</u>
Excess of Revenue Under Expenditures	<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>	<u>(15,980)</u>
Other Financing Sources (Uses):										
Transfers in	3,184	4,737	2,436	2,430	2,053	11,750	6,407	11,765	6,954	29,785
Transfers out	(1,830)	(3,382)	(1,119)	(1,180)	(1,053)	(5,087)	(5,144)	(1,269)	(1,954)	(29,522)
Premiums	3,161		7,846	7,587	4,794		244		1,011	963
Discounts		(425)								
Proceeds from the issuance of bonds and notes	28,970	91,645	74,720	44,545	79,300		19,225	34,441	36,840	11,715
Payment to refund bond escrow agent		(79,149)	(22,231)	(51,169)	(50,581)				(1,904)	
Total other financing sources (uses)	<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>	<u>12,941</u>
Net Change in Fund Balances	<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>	<u>\$ (3,039)</u>
Debt Service as a Percentage of Noncapital Expenditures	13.8%	13.0%	13.6%	13.5%	12.7%	15.5%	11.8%	12.3%	9.8%	9.5%

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									
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
2010	1,877,395,685	1,602,228,125	103,697,510	211,468,835	244,060,703	1,116,731,072	2,922,119,786	2,443,051	2,919,676,735	34.98	4,170,966,764	70

Source: City of New Britain Office of Tax Assessor

Note:

- (1) The October 1, 2012 and 2017 Grand List were revaluation years
- (2) The 2018 fiscal is the 2016 Grand List, 2017 is 2015 and so on
- (3) Residential also includes land and use assessment (i.e. farm, forest, open space)
- (4) Commercial also includes public utility, exempt properties and apartment buildings
- (5) Less BAA (Board of Assessment Appeals) changes
- (6) Total Direct Tax Rate = mill rate
- (7) Total Taxable Assessed Value / .70 = Actual Taxable Value
- (8) Taxable Assessed Value as a Percentage of Actual Value = Assessments are 70% of Value

The City of New Britain has no overlapping property tax rates

TABLE 6

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
2017 AND 2008**

October 1, 2017				October 1, 2008			
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	\$ 73,039,180	1	2.60%	CT Light & Power	\$ 40,713,681	1	1.38%
StanleyBlack & Decker Inc	27,179,831	2	0.97%	Stanley Works	23,970,995	2	0.81%
Pebblebrook Apartments LLC	23,751,420	3	0.84%	Brittany Farms Assoc.	21,865,000	3	0.74%
Jubilee Equities LLC	17,232,950	4	0.61%	Inland Southeast New Britain LLC	13,158,550	4	0.45%
Inland Southeast NB LLC	15,730,470	5	0.56%	Farmington Hills 06 LLC	12,887,317	5	0.44%
Connecticut Natural Gas	15,010,710	6	0.53%	Conn Natural Gas Corp	12,360,214	6	0.42%
Healthcare Portfolio III DST	13,097,380	7	0.47%	NB-BTMC LLC	11,200,000	7	0.38%
Paramount Plaza at New Brite LLC	11,441,920	8	0.41%	Powerstan Properties LLC	10,771,320	8	0.37%
NB-BTMC, LLC	10,722,250	9	0.38%	Investment Associates LTP	9,618,368	9	0.33%
Webster Bank	9,243,230	10	0.33%	HSC Community Services Inc	9,091,058	10	0.31%
	<u>\$ 216,449,341</u>		<u>7.69%</u>		<u>\$ 165,636,503</u>		<u>5.63%</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
2019	50.50	\$ 133,608	\$ 128,879	96.46 %	\$ N/A	\$ 128,879	96.46 %
2018	50.50	123,675	119,490	96.62	2,073	121,563	98.29
2017	50.50	122,530	119,144	97.24	1,921	121,065	98.80
2016	49.00	121,394	117,265	96.60	2,980	120,245	99.05
2015	49.00	120,101	115,575	96.23	2,561	119,136	99.20
2014	44.12	106,331	103,465	97.30	2,164	105,629	99.34
2013	36.63	106,630	104,180	97.70	1,902	106,082	99.49
2012	36.63	107,582	103,302	96.02	3,802	107,104	99.56
2011	36.63	107,141	102,722	95.88	3,925	106,647	99.54
2010	34.98	102,274	98,267	96.08	3,531	101,798	99.53

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								
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
2010	195,541	-	36,573		232,114	4.69	6.55	2,799	69,860	2,058	17,772

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

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2018
(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2018	\$ 124,742 *
Reimbursement for revenue loss	<u>31</u>
BASE for Debt Limitation Computation	\$ <u><u>124,773</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension</u>
Debt limitation:					
2-1/4 times base	\$ 280,739	\$	\$	\$	\$
4-1/2 times base		561,479			
3-3/4 times base			467,899		
3-1/4 times base				405,512	
3 times base					374,319
Total debt limitation	<u>280,739</u>	<u>561,479</u>	<u>467,899</u>	<u>405,512</u>	<u>374,319</u>
Indebtedness:					
Bonds and notes payable	258,213	38,876	2,029		
Bond anticipation notes		15,000			
Overlapping debt			24,213		
Bonds authorized - unissued	6,568	45,202	4,459		
Total indebtedness	<u>264,781</u>	<u>99,078</u>	<u>30,701</u>	<u>-</u>	<u>-</u>
Less self-liquidating indebtedness:					
Statutory exclusion- pension obligation bond	<u>49,720</u>				
Total self-liquidating indebtedness	<u>49,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness less self-liquidating indebtedness	<u>215,061</u>	<u>99,078</u>	<u>30,701</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u><u>65,678</u></u>	\$ <u><u>462,401</u></u>	\$ <u><u>437,198</u></u>	\$ <u><u>405,512</u></u>	\$ <u><u>374,319</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation - \$873,411

*Budgetary basis

TABLE 10

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limitation	\$ 873,411	\$ 876,477	\$ 876,477	\$ 860,587	\$ 839,153	\$ 763,280	\$ 796,372	\$ 764,726	\$ 761,802	\$ 722,176
Total net debt applicable to limit	<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>	<u>289,278</u>
Legal Debt Margin	<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>	<u>\$ 432,898</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<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>	<u>40.06%</u>

Source: Comprehensive Annual Financial Reports - Schedule of Debt Limitation

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

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

Calendar Year	Population (1)	Personal Income (1)	Per Capita Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
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
2010	69,860	2,987,143,740	23,557	35.0	10,405	12.40

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

(2) Source: Consolidated School District of New Britain

(3) Source: CT Dept. of Labor

TABLE 12

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL EMPLOYERS
2019 AND 2010**

2019					2010				
Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment	Employer	Nature of Business	Employees	Rank	Percentage of Total City Employment
City of New Britain	Municipality	1873	1	5.35%	Hospital of Central CT	Hospital	2700	1	8.53%
Hospital of Central CT	Hospital	1536	2	4.39%	City of New Britain	Municipality	1794	2	5.67%
Central CT State University	University	1522	3	4.35%	Central CT State University	University	1716	3	5.42%
Hospital for Special Care	Hospital	1223	4	3.49%	The Hospital for Special Care	Hospital	1396	4	4.41%
Stanley-Black & Decker	Manufacturing	600	5	1.71%	State of CT	Government	1095	5	3.46%
Webster	Banking	530	6	1.51%	The Stanley Works	Manufacturing	780	6	2.46%
Creed Monarch	Manufacturing	275	7	0.79%	Tilcon CT	Construction	430	7	1.36%
Guida's	Dairy	235	8	0.67%	Grove Hill Medical Center	Health Care	430	8	1.36%
Costco	Retail	223	9	0.64%	Dattco	Transportation	409	9	1.29%
B&F Machine	Manufacturing	220	10	0.63%	Celebration Foods	Food	350	10	1.11%
Total		8,237		23.52%			11,100		35.07%
Total Employment		35,019			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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration, financial and other	83	81	111	112	112	112	98	119	123	124
Police	186	192	187	182	182	182	157	162	151	165
Fire	124	129	131	132	132	132	137	152	153	154
Health and welfare	12	11	12	10	10	10	22	18	18	18
Parks and recreation	16	16	16	38	38	38	42	53	54	53
Public works, engineering, garage	99	93	62	43	43	43	50	62	63	63
Water	42	44	42	40	40	40	38	52	52	52
Education	<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>	<u>1,364</u>
Total	<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>	<u>1,993</u>

TABLE 14

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

Function/Program	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Building permits issued	1,084	1,158	1,118	1,157	1,073	992	628	852	518	2,296
Building inspections conducted	1,003	1,102	1,033	918	857	1,026	1,131	1,804	1,101	4,631
Police:										
Calls for service	41,755	43,697	63,911	92,161	83,389	74,295	32,701	43,233	45,494	46,776
Physical arrests	4,788	5,396	4,622	5,117	5,542	4,341	4,230	5,307	6,188	7,021
Parking violations	6,497	7,818	7,438	8,437	12,626	12,915	16,963	13,197	15,049	14,498
Traffic violations	7,207	6,835	3,590	9,459	5,532	4,243	2,103	3,054	4,410	3,315
Fire:										
Emergency responses	7,381	6,600	5,611	5,874	6,350	6,047	6,542	6,286	6,604	6,624
Fires extinguished	129	105	138	129	463	404	241	280	284	297
Inspections	1,294	891	865	767	292	207	226	295	305	302
Refuse collection:										
Refuse collected (tons per day)	77	81	80	83	122	157	161	165	168	177
Recyclables collected (tons per day)	17	16	16	16	16	16	16	17	14	9
Other public works:										
Street resurfacing (miles)	2	9	5	6	10	10	9	8	5	7
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation:										
Athletic field permits issued	2,152	5,040	3,910	3,305	3,123	2,820	3,110	3,176	3,373	3,300
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	237,312	238,017	246,117	249,104	242,255	234,883	230,497	225,581	213,907	220,384
Total volumes borrowed	284,872	297,888	308,175	334,763	261,727	361,682	405,206	408,167	394,456	415,416
Water:										
New connections	8	26	11	12	6		11	4	5	405
Water main breaks	30	25	35	26	35	13	20	9	21	18
Average daily consumption (thousands of gallons)	8,841	9,305	9,382	9,706	9,301	9,056	8,830	8,887	9,140	8,755
Peak daily consumption (thousands of gallons)	11,412	11,996	11,892	12,329	11,817	12,659	11,640	12,722	13,424	16,660
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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	47	45	45	37	38	30	32	32	30
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	10	8	10	11	11	11	10	10	10	10
Other public works:										
Streets (miles)	193	193	185	185	185	185	185	163	163	163
Highways (miles)	33	33	15	15	15	15	N/A	N/A	N/A	N/A
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic signals	66	69	69	69	71	71	71	71	71	71
Parks and recreation:										
Acreage	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Playgrounds	8	8	8	8	8	8	8	8	8	8
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	10	10	10	10	9	9	9	9	9	9
Water:	-									
Water mains (miles)		274	274	274	248	248	248	247	247	269
Fire hydrants	274	2,078	2,097	2,096	1,864	1,863	1,863	1,851	1,887	1,852
Storage capacity	2,078									
(thousands of gallons)	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	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	153	153	153