

City of New Britain Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**CITY OF NEW BRITAIN
CONNECTICUT**

FISCAL YEAR ENDED JUNE 30, 2011



Robert Curry, Director of Finance

Prepared by Finance Department

CITY OF NEW BRITAIN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Introductory Section

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL OFFICIALS**

MAYOR

Timothy T. Stewart

TREASURER

Teresa Sapieha-Yanchak

TOWN COUNCIL

Michael Trueworthy, Mayor ProTem
Eva Magnuszewski, Majority Leader
Paul Catanzaro, Assistant Majority Leader
Adam Platosz, Assistant Majority Leader
Tonilynn Collins, Majority Whip
Louis Salvio, Minority Leader
Mark Bernacki, Assistant Minority Leader
Shirley Black
Emmanuel Sanchez
Lawrence Hermanowski
Roy Centeno
Mary Marrocco
Carlo Carlozzi, Jr.
Wilfredo Pabon
David DeFronzo

ADMINISTRATION

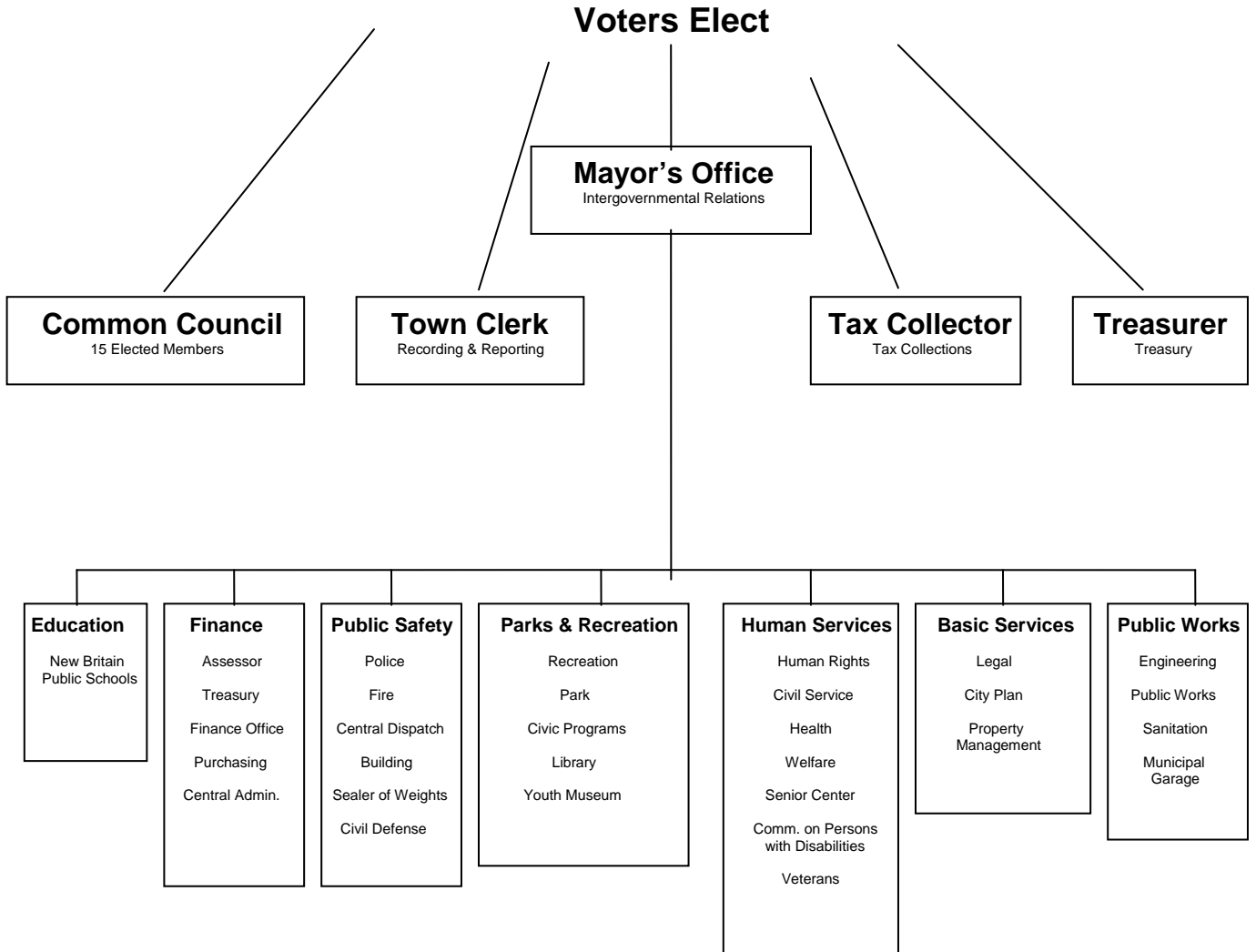
Corporation Counsel	Gennaro Bizzarro
Town Clerk	Peter J. Denuzze
Tax Collector	Cheryl Blogoslawski
Assessor	Michael Konik
Director of Finance	Robert Curry
Director of Health	Eugene Ciccone
Director of Personnel	Karen Levine
Director of Parks and Recreation	William A. DeMaio
Director of Public Works	Mark Moriarty
Director of Youth Services	Christopher Montes
Director of Licenses, Permits and Inspections	Vacant
Director of Water	Gilbert Bligh
Director of Municipal Development	Kenneth Malinowski

BOARD OF EDUCATION

Brian K. Riley
Sharon Beloin-Saavedra
Paul Carver
James Sanders
Patricia Staskelunas-Coyle
Aram Ayalon
Anthony Kane
Judy Grego
Luisa Leal
Dr. Doris Kurtz, Superintendent of Schools

ORGANIZATIONAL CHART

ORGANIZATION OF CITY GOVERNMENT



CITY OF NEW BRITAIN, CONNECTICUT



December 27, 2011

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, 2011.

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 & Company, P.C., 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, 2011 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 unqualified opinion that the City of New Britain's financial statements for the fiscal year ended June 30, 2011, 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, federally mandated “Single Audit” designed to meet the special needs of 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 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).

A major private sector initiative, the creation of a special taxing district in the downtown core, enables property owners to pool their money toward special downtown projects. 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. Continued growth of City-based corporations will increase both employment and tax revenue.

New Britain is also home to the Rock Cats (the Double A baseball affiliate of the Minnesota Twins) playing in a sports facility built to the standards established by the professional major leagues, the 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: paddle boats, aqua cycles, fun-yaks, a children's fishing pond, soccer fields, playgrounds, jogging tracks and outdoor ice skating.

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 tax reduction and 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 development of 60 acres of land on the former Pinnacle Heights Housing site is in progress. This will provide a significant boost to our City's grand list and provide more jobs within our community. Additionally, the first major project in the City's downtown master plan, the construction of a new police headquarters, has begun and is scheduled to be completed in late 2012. This innovative development will serve as a catalyst for further growth in the center of the City.

You only have to look out the windows of City Hall to see the signs of hope and promise for the City's downtown area. Several vacant buildings have been remodeled and converted into luxury apartments, a theatre and a restaurant which have all brought a vibrant night life to New Britain for the first time in years.

The recently approved \$579 million New Britain - Hartford Busway will be a dedicated bus rapid transit roadway. It will connect 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. It is estimated create 4,000 construction jobs and 100 permanent jobs. Construction is starting in early 2012 with a 2014 completion date.

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 account groups 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 has installed a new state of the art accounting system. Consideration was given to the adequacy of internal accounting controls. 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 and account groups. 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.

In FY11, the City took a firm stance on budgetary expenditures based on the downturn in the state and national economy. The Mayor issued a memo calling for a hiring freeze of all nonessential positions, a stop to all discretionary overtime, and denying any out of state travel for training or conferences. 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 \$48 million. The City's liability is low because employees generally receive 7 years (10 years for Fire) of health benefits after 20 years of service.

The City's Retiree Benefits Reserve Fund Committee recently approved an Investment Policy Statement regarding the investment of Pension Funds.

Cash Management

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Investments are carried at fair value.

The City's investments of operating funds include investments in the State of Connecticut Short-Term Investment Fund (STIF). Investment in Citizens Bank represents a typical money market account. The City's investment with Fidelity Investments is in the Government Class I fund, which invests only in U.S. Government securities and repurchase agreements for these securities.

The City recently prepared an Investment Policy which was sent to the Common Council for approval. It is currently being reviewed the Administration, Finance, & Law Subcommittee.

Debt Administration

At year end, the City had a number of debt issues outstanding. These included \$206,069 (rounded to thousands) 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, 2011, the City's net general obligation bonded debt of \$206 million was well below the legal limit of \$753 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 - \$500,000/occurrence; excess coverage applies up to \$1 million/occurrence, \$2 million aggregate, \$3 million excess.

Employee Fiduciary Bonds (except for the Treasurer, Tax Collector, Finance Director, Accounting Manager and Accounting Assistant).

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 purchased from Allianz Specialty Insurance Inc. 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 2012 annual budget \$420,000 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

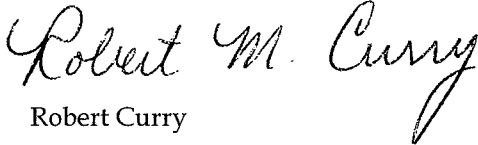
State Statute and the City Charter require an annual audit by an independent certified public accountant. The Statute further prescribes that each municipality's annual report shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP). This report has been prepared in accordance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

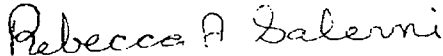
The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department staff. I would like to express my appreciation to the staff of the finance department and to all those who have contributed to this report. Special appreciation is conveyed 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,



Robert Curry

Finance Director



Rebecca Salerni

Deputy Finance Director

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

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

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, 2011, which collectively comprise the City of New Britain, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2011 on our consideration of the City of New Britain, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 11 and the budgetary comparison information on pages 60 through 63 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Blum, Shapiro & Company, P.C.

December 27, 2011

**CITY OF NEW BRITAIN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

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, 2011. 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 assets increased as a result of this year's operations. While net assets of our business-type activities decreased by \$3.4 million, or nearly 6.7%, net assets of our governmental activities increased by \$7.4 million, or 7.0%.
- In its governmental activities, the City had revenues of \$288 million and expenses of \$281 million, thus increasing the net assets of governmental activities by \$7.4 million.
- In the City's business-type activities, revenues were \$12 million while expenses were \$15.4 million, thus decreasing the net assets of the business-type funds by \$3.4 million.
- The General Fund reported a fund balance this year of \$12.0 million.
- The tax collection rate of the current levy was 95.88%.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net assets 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 assets 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 assets and changes in them. The City's net assets, 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 assets 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 assets 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 assets 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 assets 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 assets and changes in fiduciary net assets. 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 assets are higher than they were one year ago, increasing from \$156.9 million to \$161 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

TABLE 1
NET ASSETS
(In Thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>Primary Government</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 123,431	\$ 92,198	\$ 21,196	\$ 25,399	\$ 144,627	\$ 117,597	
Noncurrent assets	15,795	15,422			15,795	15,422	
Capital assets:							
Capital assets not being depreciated	146,732	135,313	1,977	3,602	148,709	138,915	
Capital assets being depreciated, net	138,015	139,944	60,242	60,154	198,257	200,098	
Total assets	<u>423,973</u>	<u>382,877</u>	<u>83,415</u>	<u>89,155</u>	<u>507,388</u>	<u>472,032</u>	
Long-term debt outstanding	243,519	224,521	34,559	36,933	278,078	261,454	
Other liabilities	67,804	53,136	548	522	68,352	53,658	
Total liabilities	<u>311,323</u>	<u>277,657</u>	<u>35,107</u>	<u>37,455</u>	<u>346,430</u>	<u>315,112</u>	
Net Assets:							
Invested in capital assets, net of debt	137,210	153,258	27,883	27,181	165,093	180,439	
Restricted	2,883	2,483			2,883	2,483	
Unrestricted (deficit)	<u>(27,443)</u>	<u>(50,521)</u>	<u>20,425</u>	<u>24,519</u>	<u>(7,018)</u>	<u>(26,002)</u>	
Total Net Assets	\$ <u>112,650</u>	\$ <u>105,220</u>	\$ <u>48,308</u>	\$ <u>51,700</u>	\$ <u>160,958</u>	\$ <u>156,920</u>	

Net assets of the City's governmental activities increased by 7% (\$112.6 million compared to \$105.2 million). Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - totaled \$(7.0) million at June 30, 2011.

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

- Transfer of \$5 million from the Water Fund.
- Swap proceeds and premiums from BAN and bond sale came to a total of \$3.427 million in revenue in FY 11.
- The Mayor and Common Council adopted a budget that called for an expense reduction of over \$1.7 million.
- The City hiring freeze resulted in expense savings of over \$1.987 million, which was primarily due to renegotiating the firefighters contract to reduce the number of firefighters in a company from four to three. Total savings was approximately \$1,136,000.
- The City's employer contributions on behalf of employee benefits were just over \$475,000 less than budgeted, which was primarily due to the City's hiring freeze.

- Not using contingency resulted in over \$340,000 remaining at June 30, 2011.
- The Energy Auction resulted in lower supplier and distribution costs for the City from FY 10 on. Street Lighting alone decreased over \$46,000 from the base year of FY 09.

The net assets of business-type activities decreased by 6.6% (\$48.3 million compared to \$51.7 million) in 2011.

This decrease in business-type activities resulted primarily due to the following factors:

- Transfer to General Fund of \$5 million;
- Conservative spending;
- Energy Auction resulted in lower supplier and distribution costs for the Water department in FY 11 on.

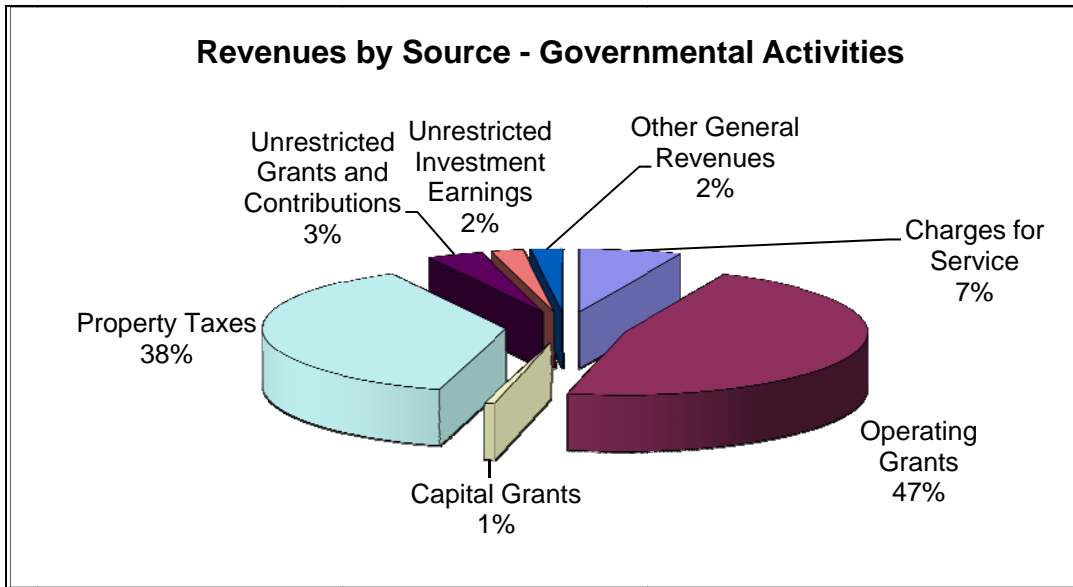
TABLE 2
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 19,467	\$ 21,310	\$ 12,012	\$ 12,394	\$ 31,479	\$ 33,704
Operating grants and contributions	135,289	129,213			135,289	129,213
Capital grants and contributions	2,080	1,248			2,080	1,248
General revenues:						
Property taxes	108,741	104,280			108,741	104,280
Grants and contributions not restricted to specific programs	10,557	11,177			10,557	11,177
Unrestricted investment earnings	6,070	4,249	28	50	6,098	4,299
Other general revenues	967	768			967	768
Total revenues	<u>283,171</u>	<u>272,245</u>	<u>12,040</u>	<u>12,444</u>	<u>295,211</u>	<u>284,689</u>
Program expenses:						
General government	12,083	8,596			12,083	8,596
Public safety	41,086	40,102			41,086	40,102
Public works	23,171	25,668			23,171	25,668
Health and welfare	8,225	8,643			8,225	8,643
Parks, recreation and libraries	11,462	11,348			11,462	11,348
Education	173,807	163,027			173,807	163,027
Interest on long-term debt	10,907	10,036			10,907	10,036
Water			10,432	10,560	10,432	10,560
Total program expenses	<u>280,741</u>	<u>267,420</u>	<u>10,432</u>	<u>10,560</u>	<u>291,173</u>	<u>277,980</u>
Increase in net assets before transfers	2,430	4,825	1,608	1,884	4,038	6,709
Transfers	<u>5,000</u>	<u>263</u>	<u>(5,000)</u>	<u>(263)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	<u>\$ 7,430</u>	<u>\$ 5,088</u>	<u>\$ (3,392)</u>	<u>\$ 1,621</u>	<u>\$ 4,038</u>	<u>\$ 6,709</u>

The City's total revenues were \$295.2 million. The total cost of all programs and services was \$291.1 million. In FY 11, the City of New Britain's BOE received approximately \$4.3 million from the Federal EduJobs Bill. This is the primary increase in both operating grants and contributions as well as education expenses in FY 11. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for governmental activities totaled \$283 million; property taxes (38.4%), operating grants (47.8%) and charges for services (6.9%) are the major revenue sources - contributing approximately 93.1% of the City's revenues.



Expenses for governmental activities were \$281 million, of which 55% were supported by program revenues and 45% were supported from general revenues. Expenses by function include education (61.9%), public safety (14.6%), public works (8.2%), and parks and recreation (4%), which made up 89% of the total governmental expenses.

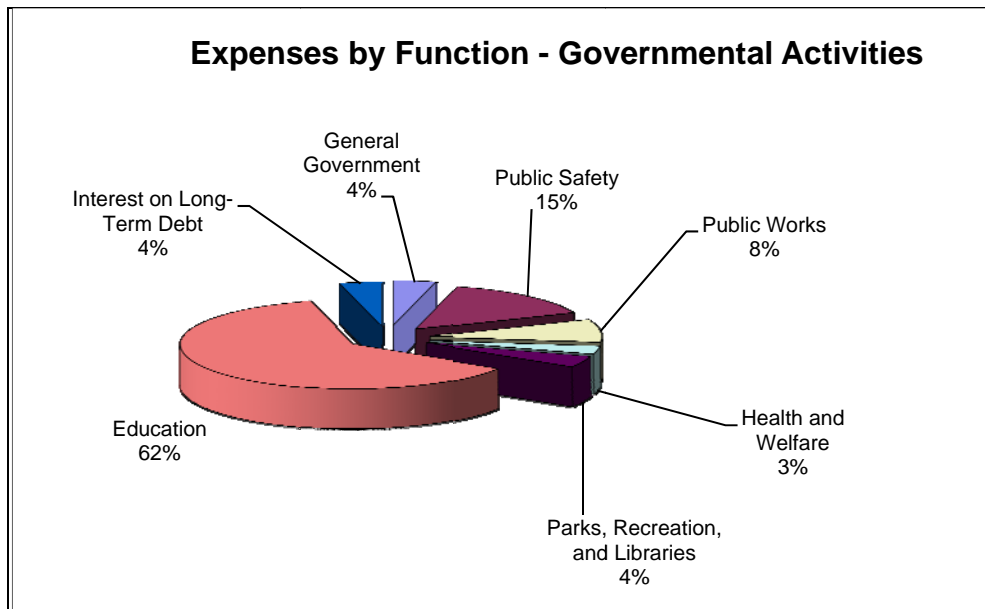
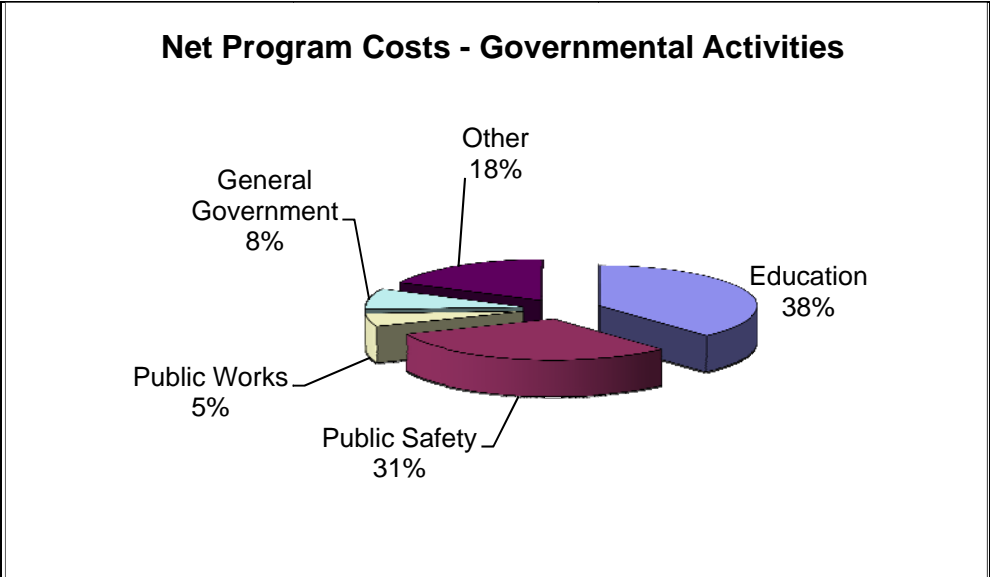


Table 3 presents the cost of each of the City’s four largest programs - education, public safety, public works, and general government - as well as each program’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City’s taxpayers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

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Education	\$ 173,807	\$ 163,027	\$ 47,023	\$ 41,142
Public safety	41,086	40,102	37,846	37,039
Public works	23,171	25,668	6,412	10,635
General government	12,083	8,596	11,070	7,327
All others	30,594	30,027	21,554	19,506
Totals	<u>\$ 280,741</u>	<u>\$ 267,420</u>	<u>\$ 123,905</u>	<u>\$ 115,649</u>



Business-Type Activities

Revenues and expenses of the City’s business-type activities amounted to \$12 million and \$15.4 million, respectively. Net assets decreased by 6.6% (from \$51.7 million to \$48.3 million). A major factor for this decrease was a transfer to the General Fund of \$5 million. Other than that, an energy auction was done in the prior year to lock in lower supplier and distribution costs, which are big expenses for the Water Department. Low electricity rates and conservative spending helped to minimize the \$5 million transfer to the General Fund.

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 \$8 million, which is an increase from last year's total of negative \$13.4 million. Included in this year's total change in fund balance is an increase of \$3.0 million in the General Fund, which is a result of a \$5 million transfer from the Water Department as well as swap proceeds and premiums from BAN and bond sales that totaled \$3.427 million. The increase in the capital projects fund balance can be attributed to the fact that the City issued \$35 million more in bonds, received \$2 million in intergovernmental revenue and had project expenditures of \$19.4 million.

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 assets of the Water Enterprise Fund amounted to \$20.4 million and those for the internal service funds amounted to negative \$3.7 million. The decrease in unrestricted net assets for the Water Enterprise Fund of \$4.1 million was mainly a result of a \$5 million transfer to the General Fund. The decrease in net assets for the internal service funds was \$1.6 million. This is the result of incurred claims exceeding contributions and other revenues. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of New Britain's business-type activities.

General Fund Budgetary Highlights

- Transfer of \$5 million from the Water Fund.
- Swap proceeds and premiums from BAN and bond sale came to a total of \$3.427 million in revenue in FY 11.
- The Mayor and Common Council adopted a budget that called for an expense reduction of over \$1.7 million.
- The City hiring freeze resulted in an expenditure savings of over \$1.987 million, which was primarily due to renegotiating the firefighters' contract to reduce the number of firefighters in a company from four to three. Total savings was approximately \$1,136,000.

The City's General Fund balance of \$12 million reported on Exhibit III differs from the General Fund's budgetary fund balance of nearly \$11.6 million. This is principally because budgetary fund balance includes \$379 thousand in outstanding encumbrances at year end, which are reported as expenditures for budgetary purposes.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2011, the City had \$347 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 \$8 million, or 2.35% over last year.

TABLE 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 13,395	\$ 13,395	\$ 1,977	\$ 1,977	\$ 15,372	\$ 15,372
Construction in progress	133,337	121,918		1,625	133,337	123,543
Buildings and improvements	84,324	87,913			84,324	87,913
Equipment	2,338	2,604			2,338	2,604
Vehicles	4,893	5,495			4,893	5,495
Infrastructure	46,460	43,932			46,460	43,932
Water filtration assets			60,242	60,154	60,242	60,154
Totals	\$ 284,747	\$ 275,257	\$ 62,219	\$ 63,756	\$ 346,966	\$ 339,013

For governmental-type funds, this year's major additions included various street 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, 2011, the City had \$206,069 in bonds and notes outstanding versus \$185,810 last year - an increase of 10.9% - as shown in Table 5.

TABLE 5
OUTSTANDING DEBT, AT YEAR-END
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds (backed by the City)	\$ 194,150	\$ 173,532	\$ 12,930	\$ 13,335	\$ 207,080	\$ 186,867
Less deferred amount: For issuance discounts on refunding	(1,011)	(1,057)			(1,011)	(1,057)
Total	\$ 193,139	\$ 172,475	\$ 12,930	\$ 13,335	\$ 206,069	\$ 185,810

During the fiscal year, the City issued certain bonds as follows:

City of New Britain, CT, General Obligation Bonds, Series 2010B, dated and issued November 9, 2010 consisting of \$7,065,000 Subseries B-1 Tax Exempt Bonds, \$18,000,000 Subseries B2 Federally Taxable Build America Bonds, and \$9,935,000 Subseries B3 Federally Taxable Recovery Zone Economic Development Bonds. In addition, the City issued \$1,840,000 Series 2010C General Obligation Refunding Bonds.

The City's general obligation bond rating from Standard & Poor's and Fitch, both national rating agencies, is A and AA-, respectively. The City's other debt, principally self-liquidating bonds and notes, carry the highest rating. 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 \$753 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. 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 2011 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 13.2% versus 12.4% a year ago. This compares with the State's unemployment rate of 9.1% and the national rate of 9.5%.

These indicators were taken into account when adopting the General Fund budget for 2011-12. Amounts available for appropriation in the General Fund budget are \$217 million, an increase of 3.2% over the final 2011 budget of \$210 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 ASSETS
JUNE 30, 2011
(In Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 55,611	\$ 14,498	\$ 70,109
Investments	23,616	94	23,710
Receivables, net	43,525	5,814	49,339
Internal balances	473	(473)	
Due from Fiduciary Fund	22		22
Other deferred asset		1,118	1,118
Inventory	184	145	329
Net pension assets	1,333		1,333
Deferred cash outflows under interest rate swaps	14,462		14,462
Capital assets:			
Capital assets not being depreciated	146,732	1,977	148,709
Capital assets being depreciated, net	138,015	60,242	198,257
Total assets	<u>423,973</u>	<u>83,415</u>	<u>507,388</u>
Liabilities:			
Accounts and other payables	26,890	548	27,438
Bond anticipation notes	38,235		38,235
Unearned revenue	2,679		2,679
Noncurrent liabilities:			
Due within one year	18,558	2,334	20,892
Due in more than one year	224,961	32,225	257,186
Total liabilities	<u>311,323</u>	<u>35,107</u>	<u>346,430</u>
Net Assets:			
Invested in capital assets, net of related debt	137,210	27,883	165,093
Restricted for:			
Trust purposes:			
Expendable	2,883		2,883
Unrestricted	(27,443)	20,425	(7,018)
Total Net Assets	<u>\$ 112,650</u>	<u>\$ 48,308</u>	<u>\$ 160,958</u>

The accompanying notes are an integral part of the financial statements

**CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 12,083	\$ 969	\$ 44	\$	\$ (11,070)	\$	\$ (11,070)
Public safety	41,086	2,140	1,100		(37,846)		(37,846)
Public works	23,171	12,818	3,026	915	(6,412)		(6,412)
Health and welfare	8,225	96	5,568		(2,561)		(2,561)
Parks, recreation and libraries	11,462	2,667	402		(8,393)		(8,393)
Education	173,807	777	124,842	1,165	(47,023)		(47,023)
Interest on long-term debt	10,907		307		(10,600)		(10,600)
Total governmental activities	280,741	19,467	135,289	2,080	(123,905)	-	(123,905)
Business-type activities:							
Water	10,432	12,012				1,580	1,580
Total	\$ 291,173	\$ 31,479	\$ 135,289	\$ 2,080	(123,905)	1,580	(122,325)
General revenues:							
Property taxes					108,741		108,741
Grants and contributions not restricted to specific programs					10,557		10,557
Unrestricted investment income					6,070	28	6,098
Miscellaneous					967		967
Total general revenues					126,335	28	126,363
Transfers					5,000	(5,000)	-
Change in net assets					7,430	(3,392)	4,038
Net Assets at Beginning of Year					105,220	51,700	156,920
Net Assets at End of Year					\$ 112,650	\$ 48,308	\$ 160,958

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011
(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	\$ 9,428	\$ 26,820	\$ 11,385	\$ 7,241	\$ 54,874
Investments				3,000	3,000
Accounts receivables, net	18,135		904	14,462	33,501
Due from other funds	11,990			473	12,463
Inventories				184	184
Total Assets	<u>\$ 39,553</u>	<u>\$ 26,820</u>	<u>\$ 12,289</u>	<u>\$ 25,360</u>	<u>\$ 104,022</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 10,655	\$ 1,677	\$ 9,641	\$ 1,616	\$ 23,589
Due to other funds				7,791	7,791
Deferred revenue	16,851		2,462	6,894	26,207
Bond anticipation notes payable and other interim financing		38,235			38,235
Total liabilities	<u>27,506</u>	<u>39,912</u>	<u>12,103</u>	<u>16,301</u>	<u>95,822</u>
Fund balances:					
Nonspendable				2,883	2,883
Restricted			186	5,511	5,697
Committed	5			2,331	2,336
Assigned	379				379
Unassigned	11,663	(13,092)		(1,666)	(3,095)
Total fund balances	<u>12,047</u>	<u>(13,092)</u>	<u>186</u>	<u>9,059</u>	<u>8,200</u>
Total Liabilities and Fund Balances	<u>\$ 39,553</u>	<u>\$ 26,820</u>	<u>\$ 12,289</u>	<u>\$ 25,360</u>	<u>\$ 104,022</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2011
(In Thousands)

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

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

Fund balances - total governmental funds (Exhibit III)	\$	8,200
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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	\$ 488,823	
Less accumulated depreciation	<u>(204,076)</u>	
Net capital assets		284,747

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

Net pension asset		1,333
Property tax receivables greater than 60 days		11,276
Interest receivable on property taxes		10,205
Housing loans receivable		6,421
Interest on housing loans		17
Receivable from the state for school construction projects		5,575
Deferred cash outflows under interest rate swaps		14,462

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 assets.		(3,772)
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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		(194,150)
Clean water notes payable		(3,996)
Interest payable on bonds and notes		(3,099)
Compensated absences		(6,706)
Net pension obligation		(205)
Net OPEB obligation		(600)
Deferred charges on refunding		1,011
Unamortized bond premium		(3,607)
Deferred cash inflows under interest rate swaps		<u>(14,462)</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>112,650</u></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, 2011
(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	\$ 106,904	\$	\$	\$	\$ 106,904
Intergovernmental	92,313	2,080	41,383	14,440	150,216
Licenses, fees and charges for goods and services	9,029	314		10,186	19,529
Investment earnings	2,720			784	3,504
Miscellaneous	449	56		618	1,123
Total revenues	<u>211,415</u>	<u>2,450</u>	<u>41,383</u>	<u>26,028</u>	<u>281,276</u>
Expenditures:					
Current:					
General government	6,891			121	7,012
Public safety	39,668			1,028	40,696
Public works	13,457			8,541	21,998
Health and welfare	2,569			5,618	8,187
Education	118,812	2,380	41,455	5,885	168,532
Parks and recreation	8,173			2,745	10,918
Capital outlay		16,971			16,971
Debt and sundry	26,301				26,301
Total expenditures	<u>215,871</u>	<u>19,351</u>	<u>41,455</u>	<u>23,938</u>	<u>300,615</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,456)</u>	<u>(16,901)</u>	<u>(72.0)</u>	<u>2,090</u>	<u>(19,339)</u>
Other Financing Sources (Uses):					
Transfers in	6,737	66		151	6,954
Transfers out	(217)			(1,737)	(1,954)
Issuance of bonds		35,000			35,000
Premium on bond anticipation note issued	492				492
Premium on general obligation bonds	418				418
Proceeds from the sale of refunding bonds	1,840				1,840
Premium on refunding bonds	101				101
Payment to refund bond escrow agent	(1,904)				(1,904)
Total other financing sources (uses)	<u>7,467</u>	<u>35,066</u>		<u>(1,586)</u>	<u>40,947</u>
Net Change in Fund Balances	3,011	18,165	(72)	504	21,608
Fund Balances at Beginning of Year, as Restated	<u>9,036</u>	<u>(31,257)</u>	<u>258</u>	<u>8,555</u>	<u>(13,408)</u>
Fund Balances at End of Year	<u>\$ 12,047</u>	<u>\$ (13,092)</u>	<u>186</u>	<u>\$ 9,059</u>	<u>\$ 8,200</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(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)	\$	21,608
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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		17,198
Depreciation expense		(7,708)

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:

School building grant receipts		(2,661)
Property tax receivable - accrual basis change		1,089
Property tax interest and lien revenue - accrual basis change		748
Housing loans receivable		(339)
Housing loans interest		2

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 assets. 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		(35,000)
Proceeds from bond refunding		(1,840)
Payment to bond escrow		1,904
Bond principal payments		14,372
Payments on clean water fund notes		309
Bond premium		(519)

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		892
Accrued interest		(632)
Amortization of deferred charge on refunding		(100)
Amortization of bond premium		251
Net OPEB expense		(450)
Net pension expense		(1)

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.

(1,693)

Change in Net Assets of Governmental Activities (Exhibit II)

\$ 7,430

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2011
(In Thousands)

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Water Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 14,498	\$ 737
Investments	94	20,616
Other deferred asset	1,118	
Receivables:		
Other, net of allowance for uncollectible	5,814	58
Inventory	145	
Due from other funds		
Total current assets	<u>21,669</u>	<u>21,411</u>
Noncurrent assets:		
Capital assets, net	62,219	
Total assets	<u>83,888</u>	<u>21,411</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	548	202
Compensated absences	90	
Due to other funds	473	4,177
Current portion of bonds and notes payable	2,244	
Total current liabilities	<u>3,355</u>	<u>4,379</u>
Noncurrent liabilities:		
Bonds and notes payable	32,092	
Compensated absences	133	
Claim reserves		20,804
Total liabilities	<u>35,580</u>	<u>25,183</u>
Net Assets:		
Invested in capital assets, net of related debt	27,883	
Unrestricted	20,425	(3,772)
Total Net Assets	<u>\$ 48,308</u>	<u>\$ (3,772)</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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Water Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Charges for services and goods	\$ 12,012	\$
Charges to other funds		17,578
Other		6,250
Total operating revenues	<u>12,012</u>	<u>23,828</u>
Operating Expenses:		
Cost of sales, services and administration	7,465	
Administration and general expense		705
Depreciation expense	1,773	
Claims incurred		27,158
Total operating expenses	<u>9,238</u>	<u>27,863</u>
Operating Income (Loss)	<u>2,774</u>	<u>(4,035)</u>
Nonoperating Revenue (Expenses):		
Income on investments	28	2,564
Decrease in actuarial claims reserve		(222)
Interest expense	(1,194)	
Net nonoperating revenues (expenses)	<u>(1,166)</u>	<u>2,342</u>
Change in Net Assets Before Transfers	1,608	(1,693)
Transfers:		
Transfers out	<u>5,000</u>	
Change in Net Assets	(3,392)	(1,693)
Total Net Assets at Beginning of Year	<u>51,700</u>	<u>(2,079)</u>
Total Net Assets at End of Year	<u>\$ 48,308</u>	<u>\$ (3,772)</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, 2011
(In Thousands)

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Water</u>	<u>Internal</u>
	<u>Enterprise Fund</u>	<u>Service Fund</u>
Cash Flows from Operating Activities:		
Cash received from charges to other funds	\$	\$ 19,086
Cash received from customers	12,446	
Cash received from other operating activities		6,278
Cash paid for premiums and other operating expenses	(7,569)	(865)
Cash payments for claims made		(23,885)
Net cash provided by operating activities	<u>4,877</u>	<u>614</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to other funds	<u>(5,000)</u>	
Net cash used in noncapital financing activities	<u>(5,000)</u>	
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(236)	
Payment of loan obligation	(2,239)	
Interest paid on capital debt	(1,194)	
Net cash used in capital financing activities	<u>(3,669)</u>	
Cash Flows from Investing Activities:		
Income on investments	28	2,564
Actuarial claim reserve		(222)
Purchase of investments	(94)	
Sale of investments		(2,849)
Net cash used in investing activities	<u>(66)</u>	<u>(507)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,858)	107
Cash and Cash Equivalents at Beginning of Year	<u>18,356</u>	<u>630</u>
Cash and Cash Equivalents at End of Year	<u>\$ 14,498</u>	<u>\$ 737</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities:		
Operating income (loss)	\$ <u>2,774</u>	\$ <u>(2,842)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,773	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	388	28
(Increase) decrease in due from other funds		1,508
(Increase) decrease in other deferred asset	46	
(Increase) decrease in inventory	(93)	
Increase (decrease) in accounts payable and accrued expenses	(109)	(160)
Increase (decrease) in due to other funds	98	2,080
Total adjustments	<u>2,103</u>	<u>3,456</u>
Net Cash Provided by Operating Activities	<u>\$ 4,877</u>	<u>\$ 614</u>
Noncash Investment Activities:		
Net increase in fair value of investments	<u>\$ 28</u>	<u>\$ 2,564</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2011
(In Thousands)

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 11,122	\$ 3	\$ 363
Investments:			
Investments, at fair value:			
Equities			
Fixed income	101		331
Mutual funds	84,898		
U.S. securities	12,068		
Federal agency bonds	4,025	1,129	
Corporate bonds/securities	33,612		
Foreign bonds	1,033		
Common stock	6,752		
Accounts receivable	418		
	<u>154,029</u>	<u>1,132</u>	<u>\$ 694</u>
Total Assets			
Liabilities:			
Accounts payable	\$ 3,509		\$
Due to other funds	22		
Due to beneficiaries			694
	<u>3,531</u>		<u>694</u>
Total Liabilities			
Net Assets:			
Held in Trust for Pension and Other Post Retirement Benefits	<u>\$ 150,498</u>	<u>\$ 1,132</u>	

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	Pension Trust Funds	OPEB Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,199	\$ 3,744
Employee	638	
Total contributions	<u>1,837</u>	<u>3,744</u>
Investment income:		
Net appreciation in fair value of investments	21,453	139
Interest and dividends	3,998	27
Miscellaneous	33	
Total investment income	<u>25,484</u>	<u>166</u>
Less investment expense	<u>(325)</u>	
Net investment income	<u>25,159</u>	<u>166</u>
Net additions	<u>26,996</u>	<u>3,910</u>
Deductions:		
Benefits	10,704	3,744
Administration	132	8
Total deductions	<u>10,836</u>	<u>3,752</u>
Net Increase	16,160	158
Net Assets at Beginning of Year	<u>134,338</u>	<u>974</u>
Net Assets at End of Year	<u>\$ 150,498</u>	<u>\$ 1,132</u>

The accompany notes are an integral part of the financial statements

THE CITY OF NEW BRITAIN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

(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 his recommendation 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 two joint ventures as described below.

Tunxis Recycling Operating Committee

The City is a participant with twelve other cities and towns in a joint venture, the Tunxis Recycling Operating Committee (TROC). TROC is responsible for the development, operations and management of a solid waste recycling program for all participating communities. The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. The City has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the

intercommunity agreement dated as of August 31, 1990. Expenditures of \$107 were incurred in 2009-10 related to the City's participation in TROC.

Fund balance of the General Fund for fiscal year ended June 30, 2011 as reflected in the Committee's financial statements is \$1,320. A complete set of financial statements for TROC can be obtained from the TROC's administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

Bristol Resource Recovery Facility Operating Committee

The City is a participant with thirteen 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. The City has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the Intercommunity Agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements. The City expenditures to BRRFOC amounted to \$2,824 this year.

Fund balance of the General Fund for fiscal year ended June 30, 2011 as reflected in BRRFOC's financial statements is \$10,815. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

On April 2005, the Committee issued \$41,920 in Solid Waste Revenue Refunding Bonds (Covanta Bristol, Inc. Project - 2005 series) with interest rates varying from 3.00% to 5.00%. The proceeds of the bonds, in addition to other funds made available as part of the transaction and the allowed investment earnings thereon, were used to current refund \$46,670 of outstanding revenue bonds of the Committee. The proceeds from the original bonds were loaned by the Authority to Ogden Martin Systems of Bristol, Inc. now known as Covanta Bristol, Inc. Under the Service Agreement, the service fee is an obligation of the Contracting Municipalities to which each has pledged its full faith and credit. Should any Contracting Municipality default in its obligation to pay the service fee, the other Contracting Municipalities shall have an obligation to continue to pay the aggregate service fee. If the Company does not perform its obligations under the service agreement, and Covanta fails to perform such obligations pursuant to its guarantee, the Contracting Municipalities have certain rights to terminate the service agreement and, upon termination, would no longer be obligated to pay the service fee. The current balance of the bonds outstanding is \$20,955.

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 and the City of New Britain. A twelve-person Board of Directors is appointed by the member towns with New Britain appointing the majority of members seven, Berlin appoints three members and Cromwell appoints two 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 assets 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.

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 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.

The OPEB Trust Fund accounts for the activities of the Town 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

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. Additional property taxes are assessed for motor vehicles and are payable in one installment due July 1. 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 \$750 for property taxes receivable that are deemed to be uncollectible.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

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

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

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

H. 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 \$6,706. The City and Board of Education compensated absences is generally liquidated by the General Fund.

I. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

J. Interest Rate Swap Agreements and Options

The City's interest rate swap agreements are considered to be effective hedges. Accordingly, the fair value of the hedges therein are recognized as deferred inflows or outflows on the statements of net assets.

K. Fund Equity

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

Invested in Capital Assets, Net of Related Debt - This component of net assets 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 Assets - Net assets are restricted because they are 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 Assets - This component consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes 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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Advisory budgets for Special Revenue Funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. In some instances such budgets comprehend more than one fiscal year and are comprehending a fiscal period which 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.

An additional \$36 was appropriated from unanticipated revenues during the fiscal year.

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 Governmental Accounting Standards Board Statement No. 24, the City has reported "on-behalf" payments made by the State of Connecticut into the teachers' retirement system in the governmental funds.

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

B. Deficit Fund Equity

The following funds have a deficit fund balance/net assets at (in thousands) June 30, 2011:

Nonmajor:

Special Revenue Funds:

Stanley Quarter Park	\$	347
Police & Youth Grants		6
New Britain Marketing Collaborative		6
Local Capital Improvement		5
American Savings Grant		18
FEMA Grant		3
Police Explorers		3
Exercise the Right Choice II		10
Immunization Action Plan		2
Public Safety		183
Centralized and Distribution Services		235
Federal Omnibus Grant		29
Juvenile Justice Center		1
Highway Safety Grant		31
Housing Inspectors DMD		1
Assistance to CCSU Police Department		42
Public Works Grant		1
School Rental Account		95
Business Outreach Center		52
Emergency Shelter Grant		15
Redevelopment Commission		6
EFSP Program		3
Neighborhood Stabilization Program		39
Capital Projects Fund		13,092

Internal Service Funds:

Special Reserve Fund	277
Health Insurance Fund	4,225

The Special Revenue Funds and Internal Service Funds deficit balances will be eliminated by program income. In the Capital Projects Fund, bonding and State grants will be used to fund the deficit balance.

C. Overexpended Appropriations

The legal budget was overexpended during the current year. The following items were overexpended:

<u>Department</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government:			
Recording and Reporting	\$ 657	\$ 668	\$ (11)
Legal	1,367	1,454	(87)
Public Safety:			
Police Department	19,214	20,101	(887)
Lighting	789	809	(20)
Civil Preparedness	171	172	(1)
Public Works:			
Administration	475	477	(2)
Parks and Recreation			
Administration	433	447	(14)
Forestry	256	263	(7)
Horticulture	351	359	(8)
Maintenance	2,585	2,623	(38)
Recreation Department	948	964	(16)
Other financing uses:			
Other	97	170	(73)

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 Town 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*, \$51,441 of the City's bank balance of \$53,013 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	46,147
Uninsured and collateral held by the pledging bank's trust department, not in the City's name		<u>5,294</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>51,441</u></u>

Cash Equivalents

At June 30, 2011, the City's cash equivalents amounted to \$25,499. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
StateTax Exempt Proceeds Fund*	
Wells Fargo Money Market*	
Bank of America Money Market*	
State Short-Term Investment Fund (STIF)	AAAm
Financial Investors Trust Portfolio Money Market Fund	AAAm
Cutwater - Cooperative Liquid Assets Securities System (CLASS)	AAAm

*Not rated

Investments

As of June 30, 2011, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
U.S. Treasury Tips	N/A	\$ 1,508	\$	\$ 458	\$ 1,050
U.S. Treasury bonds/notes	N/A	12,424	4,212	8,004	208
Federal agency bond funds	**	2,410		2,410	
Federal agency bond funds	AAA to A	1,615		1,615	
Foreign bond funds	AAA to A+	1,033		1,033	
Corporate bonds/securities	A- to A+	12,361	16	3,145	9,200
Corporate bonds/securities	BBB- to BBB+	5,432		3,368	2,064
Corporate bonds/securities	BB- to BB+	2,802		2,494	308
Corporate bonds/securities	B- to B+	1,436		1,436	
Corporate bonds/securities	**	21,970		1,849	20,121
Certificates of deposit	N/A	250		250	
Fixed income	**	<u>1,318</u>	<u>1,217</u>	<u>101</u>	
Total		64,559	<u>\$ 5,445</u>	<u>\$ 26,163</u>	<u>\$ 32,951</u>
Other investments:					
Common stock		16,740			
Mutual funds		<u>86,360</u>			
Total Investments		<u>\$ 167,659</u>			

N/A Not applicable

** Not available

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, 2011, the City had \$16,740 in uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

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>BOE State and Federal Grants</u>	<u>Nonmajor and Other Funds</u>	<u>Business Activities Water Enterprise</u>	<u>Total</u>
Receivables:					
Interest	\$ 10,205	*\$	\$ 17	* \$ 52	\$ 10,274
Taxes	12,815				12,815
Water				3,268	3,268
Sewer			4,180		4,180
Accounts	495		1,715	2,811	5,021
Intergovernmental	5,575	904	2,366		8,845
Housing loans			6,677		6,677
Gross receivables	<u>29,090</u>	<u>904</u>	<u>14,955</u>	<u>6,131</u>	<u>51,080</u>
Less allowance for uncollectibles	<u>(750)</u>		<u>(256)</u>	** <u>(317)</u>	<u>(1,323)</u>
Net Total Receivables	<u>\$ 28,340</u>	<u>\$ 904</u>	<u>\$ 14,699</u>	<u>\$ 5,814</u>	<u>\$ 49,757</u>

* Accrued interest on property taxes and long-term housing loans in the amount of \$10,205 and \$17 are not included in the fund financial statements.

** Allowance for uncollectible amounts related to loan receivables of \$256 is not included in the fund financial statements.

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	\$ 750
Water receivables	317
Loan receivables	<u>256</u>
Total	<u>\$ 1,323</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 11,276	\$
Housing loans	6,677	
School building grants	5,575	
Grant drawdowns prior to meeting all eligibility requirements		<u>2,679</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 23,528</u>	<u>\$ 2,679</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 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	\$ 13,395	\$	\$	\$ 13,395
Construction in progress	121,918	13,834	(2,415)	133,337
Total capital assets not being depreciated	<u>135,313</u>	<u>13,834</u>	<u>(2,415)</u>	<u>146,732</u>
Capital assets being depreciated:				
Land improvements	14,053			14,053
Buildings	183,194			183,194
Machinery and equipment	13,468	108		13,576
Vehicles	18,341	691	(24)	19,008
Infrastructure	107,280	4,980		112,260
Total capital assets being depreciated	<u>336,336</u>	<u>5,779</u>	<u>(24)</u>	<u>342,091</u>
Less accumulated depreciation for:				
Land improvements	10,645	437		11,082
Buildings	98,689	3,152		101,841
Machinery and equipment	10,864	398	(24)	11,238
Vehicles	12,846	1,269		14,115
Infrastructure	63,348	2,452		65,800
Total accumulated depreciation	<u>196,392</u>	<u>7,708</u>	<u>(24)</u>	<u>204,076</u>
Total capital assets being depreciated, net	<u>139,944</u>	<u>(1,929)</u>	<u>-</u>	<u>138,015</u>
Governmental Activities Capital Assets, Net	<u>\$ 275,257</u>	<u>\$ 11,905</u>	<u>\$ (2,415)</u>	<u>\$ 284,747</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,977	\$	\$	\$ 1,977
Construction in progress	1,625		(1,625)	-
Total capital assets not being depreciated	<u>3,602</u>	<u>-</u>	<u>(1,625)</u>	<u>1,977</u>
Capital assets being depreciated:				
Source of supply	7,221			7,221
Pumping plant	2,838			2,838
Water treatment plant	2,341	138	(55)	2,424
Filter plant	55,695	1,594		57,289
Machinery and equipment	549			549
Transmission and distribution	11,080	130	(43)	11,167
General plant and administrative equipment	5			5
Total capital assets being depreciated	<u>79,729</u>	<u>1,862</u>	<u>(98)</u>	<u>81,493</u>
Less accumulated depreciation for:				
Source of supply	2,447	53		2,500
Pumping plant	1,599	54		1,653
Water treatment plant	1,502	318	(55)	1,765
Filter plant	6,645	1,113		7,758
Machinery and equipment	63	12		75
Transmission and distribution	7,319	219	(43)	7,495
General plant and administrative	-	5		5
Total accumulated depreciation	<u>19,575</u>	<u>1,774</u>	<u>(98)</u>	<u>21,251</u>
Total capital assets being depreciated, net	<u>60,154</u>	<u>88</u>	<u>-</u>	<u>60,242</u>
Business-Type Activities Capital Assets, Net	<u>\$ 63,756</u>	<u>\$ 88</u>	<u>\$ (1,625)</u>	<u>\$ 62,219</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,249
Public safety	562
Public works	3,016
Health and social services	9
Parks and recreation	676
Education	<u>2,196</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>7,708</u>
 Business-type activities:	
Enterprise Fund - water depreciation expense business-type activities	 \$ <u>1,774</u>

Construction Commitments

The City has active construction projects as of June 30, 2011. The following is a summary of capital projects as of June 30, 2011:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Public buildings	\$ 38,500	\$ 10,466
Schools	83,820	72,616
Infrastructure	89,258	57,688
Parks and recreation	5,350	5,348
Miscellaneous	<u>55,879</u>	<u>36,097</u>
 Total	 \$ <u>272,807</u>	 \$ <u>182,215</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through one fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 4,177
	Nonmajor Fund	7,791
	Fiduciary Funds	22
Nonmajor Fund	Water Fund	<u>473</u>
	Total	 \$ <u>12,463</u>

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

Interfund transfers:

	Transfers In			
	General Fund	Capital Project Fund	Nonmajor Funds	Total Transfers
Transfers Out:				
General	\$	\$ 66	\$ 151	\$ 217
Nonmajor governmental	1,737			1,737
Enterprise Funds	<u>5,000</u>			<u>5,000</u>
Total	<u>\$ 6,737</u>	<u>\$ 66</u>	<u>\$ 151</u>	<u>\$ 6,954</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, 2011:

Description	Fund	Rate	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2011 Bond Anticipation Notes	Capital Projects Fund	2.00%	03/28/2012	\$	\$ 38,235	\$	\$ 38,235
2010 Bond Anticipation Notes	Capital Projects Fund	3.00%	03/29/2011	<u>32,450</u>	<u>32,450</u>	<u>32,450</u>	<u>-</u>
				<u>\$ 32,450</u>	<u>\$ 38,235</u>	<u>\$ 32,450</u>	<u>\$ 38,235</u>

8. LONG-TERM DEBT

A schedule of bond indebtedness as of June 30, 2011 is as follows:

	<u>Interest Rate (%)</u>	<u>Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Outstanding</u>
Consolidated School District:					
1993 Series A	3.8% - 6.0%	\$ 13,300	02/01/93	10/01/12	\$ 1,470
1993 Series B	3.8% - 6.0%	13,075	02/01/93	04/01/12	720
1994 Series	4.0% - 5.0%	17,700	02/01/94	02/04/14	2,655
1997 Series	4.4% - 5.1%	13,115	04/15/97	04/15/13	970
2002 Refunding Series	2.0% - 5.0%	1,830	11/04/02	05/01/14	575
2006 Series	5.0% - 4.125%	11,000	04/15/06	04/15/21	7,330
2007 Series	5.0% - 3.75%	6,600	04/05/07	04/15/22	4,840
2008 Series A	2.8% - 5.0%	1,750	04/01/08	04/01/28	1,487
2008 Series B Refunding Bonds	2.8% - 5.0%	12,425	04/01/08	04/01/35	2,710
2009 Series	3.0% - 4.5%	3,975	03/25/09	04/01/24	3,460
2010 Series C	3.0% - 4.0%	1,840	10/28/10	04/01/15	1,465
Subtotal		<u>96,610</u>			<u>27,682</u>
Public Improvement:					
1992 Series	4.6% - 6.5%	8,285	02/01/92	02/01/12	400
1993 Series B	3.8% - 6.0%	16,210	02/01/93	04/01/12	900
1997 Series	4.4% - 5.1%	8,925	04/15/97	04/15/13	180
2002 Refunding Series	2.0% - 5.0%	2,240	11/04/02	05/01/14	705
2005 MERF Pension Bond	4.93%	1,450	06/01/05	06/05/23	1,085
2006 Series	5.0% - 4.125%	6,460	04/15/06	04/15/21	4,305
2007 Series	5.0% - 3.75%	6,975	04/05/07	04/15/22	5,115
2008 Series A	2.8% - 5.0%	11,215	04/01/08	04/01/28	9,528
2008 Series B Refunding Bonds	2.8% - 5.0%	12,080	04/01/08	04/01/35	7,235
2009 Series	3.0% - 4.5%	9,410	03/25/09	04/01/24	8,165
2010 Series A	2.5% - 5.5%	11,715	03/30/10	03/01/25	10,930
2010 Series B	2.8% - 5.8%	35,000	10/28/10	10/01/30	35,000
Subtotal		<u>129,965</u>			<u>83,548</u>
General Obligation Pension Bonds:					
1998 Series	5.72% - 6.64%	<u>66,000</u>	02/01/98	02/01/26	<u>42,920</u>
General Obligation Pension Bonds:					
2008 Series C Refunding Bonds	6.371%	<u>40,700</u>	05/30/08	02/01/26	<u>40,000</u>
Total General Fund Debt		<u>\$ 333,275</u>			<u>\$ 194,150</u>

General Fund 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, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 173,532	\$ 36,840	\$ (16,222)	\$ 194,150	\$ 16,945
Less deferred amounts:					
For issuance discounts on refunding	(1,057)	(54)	100	(1,011)	
Interest rate swaps	15,422		(960)	14,462	
Bond premiums	3,339	519	(251)	3,607	
Total general obligation bonds	191,236	37,305	(17,333)	211,208	16,945
Notes payable:					
Clean Water notes	4,305		(309)	3,996	309
OPEB (asset) obligation	150	4,194	(3,744)	600	
Compensated absences	7,598	19	(911)	6,706	1,304
Net pension (asset) obligation	212	742	(749)	205	
Risk management	21,020		(216)	20,804	
Governmental Activities Long-Term Liabilities	<u>\$ 224,521</u>	<u>\$ 42,260</u>	<u>\$ (23,262)</u>	<u>\$ 243,519</u>	<u>\$ 18,558</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds payable	\$ 13,335		\$ (405)	\$ 12,930	\$ 410
Notes payable:					
Clean Water notes	23,238		(1,832)	21,406	1,834
Compensated absences	360		(137)	223	90
Business-Type Activities Long-Term Liabilities	<u>\$ 36,933</u>	<u>\$ -</u>	<u>\$ (2,374)</u>	<u>\$ 34,559</u>	<u>\$ 2,334</u>

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:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 241,895	\$ 178,217	\$ 63,678
Schools	483,791	82,425	401,366
Sewers	403,159	16,728	386,431
Urban renewal	349,404		349,404
Pension deficit	322,527		322,547

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$752,563).

The indebtedness above includes \$129,514 of authorized bonds which were unissued as of June 30, 2011.

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.

On October 28, 2010, the City issued \$1,840 in general obligation refunding bonds, Series 2010C, with an interest rate of 3.0-4.0% to advance refund \$1,850 of outstanding 2000 Series A bonds with interest rates of 5.1-5.3%. This advance refunding was undertaken to reduce total debt service payments over the next five years by \$84 and resulted in a net present value savings of \$81. The net proceeds of \$1,904 (after payment of \$37 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the bonds are considered to be defeased. The balance of the defeased bonds outstanding at June 30, 2011 is \$1,480.

In the prior year, the City had defeased certain general obligation bonds by place in the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are no included in the City's financial statements. The outstanding balance of the defeased bonds as of June 30, 2011 is \$5,390.

The maturities relating to all bonds and serial notes of the governmental activities of the City as June 30, 2011 are as follows:

<u>Year Ending June 30,</u>	<u>Principal General Obligation</u>	<u>Principal Clean Water Notes</u>	<u>Interest General Obligation</u>	<u>Interest Clean Water Notes</u>	<u>Total</u>
2012	\$ 16,945	\$ 309	\$ 11,017	\$ 77	\$ 28,348
2013	14,475	309	9,576	71	24,431
2014	12,435	309	8,915	65	21,724
2015	11,480	309	8,293	59	20,141
2016	11,435	309	7,735	52	19,531
2017	11,775	309	7,166	46	19,296
2018	12,125	309	6,561	40	19,035
2019	12,505	309	5,914	34	18,762
2020	12,910	309	5,228	28	18,475
2021	12,310	310	4,509	21	17,150
2022	11,660	310	3,816	15	15,801
2023	11,185	261	3,150	9	14,605
2024	11,530	182	2,490	5	14,207
2025	11,110	59	1,814	2	12,985
2026	10,850	59	1,150	1	12,060
2027	2,445	34	481	1	2,961
2028	2,440		347		2,787
2029	1,535		219		1,754
2030	1,500		131		1,631
2031	1,500		44		1,544
Total	\$ 194,150	\$ 3,996	\$ 88,556	\$ 526	\$ 287,228

Note: Due to a variable interest rate on the 2000 Series C issue of federally taxable bonds, the interest payments are computed based on the current interest rate of 3.6%. This rate will change on a yearly basis.

The maturities relating to all bonds and serial notes of the business-type activities of the City as of June 30, 2011 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	<u>Principal Clean Water Notes</u>	<u>Interest General Obligation Bonds</u>	<u>Interest Clean Water Notes</u>	<u>Total</u>
2012	\$ 410	\$ 1,834	\$ 611	\$ 521	\$ 3,376
2013	465	1,834	594	474	3,367
2014	515	1,834	574	428	3,351
2015	560	1,834	549	381	3,324
2016	560	1,834	521	334	3,249
2017	560	1,834	493	288	3,175
2018	560	1,834	465	241	3,100
2019	560	1,834	437	194	3,025
2020	565	1,835	409	147	2,956
2021	565	1,835	380	101	2,881
2022	560	1,464	357	57	2,438
2023	555	1,200	333	26	2,114
2024	550	400	308	2	1,260
2025	550		282		832
2026	550		256		806
2027	545		230		775
2028	545		204		749
2029	545		178		723
2030	540		152		692
2031	540		127		667
2032	535		101		636
2033	535		76		611
2034	530		50		580
2035	530		25		555
Total	\$ <u>12,930</u>	\$ <u>21,406</u>	\$ <u>7,712</u>	\$ <u>3,194</u>	\$ <u>45,242</u>

Interest Rate Swap Agreements (Not Rounded)

Objective - As a means to lower its future borrowing costs, the City entered in three interest rate swaps each in connection with their general obligation bonds. The intention of the swaps was to effectively change the City's interest rate on the bonds from a variable rate to a synthetic fixed rate. The interest rate swaps are considered to be effective cash flow hedges.

Terms - The notional amount of the swaps matches the principal amounts of the associated debt. The City's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow anticipated reductions to the associated bond issue's outstanding balance. Under the swaps, the City pays the counterparty a fixed interest rate payment and receives a variable interest rate payment based on the LIBOR rate. Only the net difference in interest payments will be actually exchanged between the parties. No cash was received or paid by the City when the swap transactions were initiated.

Fair Value - All three swaps had negative fair values (representing a liability) as of June 30, 2011, as indicated below. The fair value was estimated using live trading data to construct a series of swap rates that is then used to run a present value calculation.

Credit Risk - As of June 30, 2011, the City was not exposed to credit risk in the event the counterparty fails to perform under the agreement because the swaps represent a liability. The credit ratings of the counterparties are indicated below. The City does not require collateral or other security supporting interest rate swaps subject to credit risk.

Basis Risk - The swap does expose the City to basis risk for any difference between the actual variable rate paid to bondholders and the variable rate paid to the City pursuant to the swap agreement because both amounts are calculated under the same formula.

Termination Risk - The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment approximately equal to the swap's fair value at that time.

	<u>Series 2012</u>	<u>Pension- Fxd</u>	<u>Pension - CMS</u>
Counterparty	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG
Bond Issue	2011	2008C	2008C
Original Notional Amount	\$ 14,000,000	\$ 40,000,000	\$ 40,000,000
Outstanding Notional Amount	\$ 14,000,000	\$ 40,000,000	\$ 40,000,000
Effective Date	4/1/2012	5/1/2008	2/1/2017
Maturity Date	4/1/2027	2/1/2026	2/1/2026
Rate Paid	3.807%	6.371%	100% of 1M LIBOR
Rate Received	68.4% of 10M LIBOR	1M LIBOR	78% OF 10Y LIBOR
Fair Value	\$ (1,424,863)	\$ (11,899,609)	\$ (1,137,710)
Counterparty Credit Rating:			
Moody's Investors Service	Aa3	Aa3	Aa3
Standard & Poor's	A+	A+	A+

The following is a summary of the changes in fair value of the interest rate swaps for the years ended June 30, 2011 and 2010 (not rounded), which are accounted for as changes in deferred outflows reported in the statements of net assets:

	<u>Series 2011</u>	<u>Pension - Fxd</u>	<u>Pension - CMS</u>
Fair Value at July 1, 2010	\$ (1,036,871)	\$ (13,828,607)	\$ (556,153)
Change in Fair Value for the year ended June 30, 2011	<u>(387,992)</u>	<u>1,928,998</u>	<u>(581,557)</u>
Fair Value at June 30, 2011	<u>\$ (1,424,863)</u>	<u>\$ (11,899,609)</u>	<u>\$ (1,137,710)</u>

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.

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 the Government Accounting Standards Board.

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, 2010 to June 30, 2011. 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 \$1,543 is reported in the internal service fund at June 30, 2011, and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The City's self-insurance program for general accident, casualty and liability is administered internally. When a claim is submitted, the City processes and pays the claim from funds now accumulated by the City in an internal service fund. The General Liability Internal Service Fund was funded in 1994 to the extent that the City's financial resources would be required during the next 12 months. The charges by the General Liability Internal Service Fund to other funds will be adjusted over future years so that internal service revenues and expenses are approximately equal over such period of time. The City currently carries excess general liability insurance coverage, which reflects a self-insured retention of \$500. The City retains the first \$500 per occurrence; coverage is provided by the insurer for the next \$3,000 per occurrence/\$4,000 aggregate. The insurance coverage includes a stop loss feature, providing coverage after the City has paid \$1,300 cumulative accident year claims. Separate policies for special risks are carried by the City to complement the self-insured program; these include:

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

The City's self-insurance program for workers' compensation is administered internally. When a claim is submitted, the City processes and pays the claim from funds now accumulated by the City in an internal service fund. The Workers' Compensation Internal Service Fund was funded in 1994 to the extent that the City's financial resources would be required during the next twelve months. The charges by the Workers' Compensation Internal Service Fund to other funds will be adjusted over future years so that internal service revenues and expenses are approximately equal over such period of time. The City's aggregate workers' compensation claim liability of approximately \$16 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.

The changes in the claim reserves for the fiscal years ended June 30, 2011 and 2010, are as follows:

	June 30, 2011			June 30, 2010		
	Medical	Workers' Compensation	General Accident Casualty and Liability	Medical	Workers' Compensation	General Accident Casualty and Liability
Beginning of year claim reserve	\$ 1,765	\$ 17,253	\$ 2,002	\$ 2,069	\$ 17,253	\$ 1,874
Current year incurred claims and changes in prior year estimate	25,319	1,794	45	24,402	1,615	213
Claim payments	(25,541)	(1,794)	(39)	(24,706)	(1,615)	(85)
End of Year Claim Reserve	\$ 1,543	\$ 17,253	\$ 2,008	\$ 1,765	\$ 17,253	\$ 2,002

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Overview

Substantially all City employees except for the certified employees of the Consolidated School District and the regular members of the Police and Fire Departments 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 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 Section 10.183 of the Connecticut General Statutes that is administered by the Connecticut State Teachers' Retirement Board.

Municipal Employees' Retirement Fund (MERF)

MERF is the administrator of a cost-sharing multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

Any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities or other special districts, may elect to participate for one or more of its departments, including elective officers; only teachers who are covered under the Connecticut State Teachers' Retirement System are ineligible.

Plan provisions are set by statute of the State of Connecticut. MERF provides retirement benefits as well as death and disability benefits. Annual cost of living increases commence each July immediately after retirement with a minimum 2.5% to maximum of 6% up to 65 years of age, after which COLAs will remain at a minimum of 3% to a maximum of 5%. All benefits vest after five years of continuous service. Members who retire after age 55 with 5 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/6% of the average of earnings not in excess of the taxable wage base for the ten highest paid years, plus 2% of the average of earnings for the three highest paid years of service which is in excess of the average of earnings not in excess of the taxable wage base for the ten highest paid years.

Funding Policy

Covered employees are required by State statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the Plan. The contribution requirements of the City are established and may be amended by the State Retirement System.

The current rate is 9.5% of covered payroll. The City's and employee contributions to MERF for the years ended June 30, 2011, 2010 and 2009 are as follows:

<u>Fiscal Year Ended</u>	<u>City Contribution Amount</u>	<u>Employee Contribution Amount</u>	<u>Total Contribution Amount</u>	<u>Total Payroll Covered by the MERF</u>
June 30, 2009	\$ 3,389	\$ 2,321	\$ 5,710	\$ 46,446
June 30, 2010	3,773	2,385	6,158	47,716
June 30, 2011	5,198	2,537	7,735	55,881

Employee Retirement System

Plan Description

The City is the administrator of a single-employer public employee retirement system (PERS) 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 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.

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%.

The financial information of the PERS is as follows:

Statement of Plan Net Assets

	Firemen's Pension Fund	Police Benefit Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 6,328	\$ 4,794	\$ 11,122
Investments	74,440	68,049	142,489
Accounts receivable	<u>257</u>	<u>161</u>	<u>418</u>
 Total Assets	 <u>\$ 81,025</u>	 <u>\$ 73,004</u>	 <u>\$ 154,029</u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 1,727	\$ 1,782	\$ 3,509
Due to other funds	<u> </u>	<u>22</u>	<u>22</u>
 Total liabilities	 <u>1,727</u>	 <u>1,804</u>	 <u>3,531</u>
 Net Assets Held in Trust for Pension Benefits	 <u>79,298</u>	 <u>71,200</u>	 <u>150,498</u>
 Total Liabilities and Net Assets	 <u>\$ 81,025</u>	 <u>\$ 73,004</u>	 <u>\$ 154,029</u>

Statement of Changes in Plan Net Assets

	Firemen's Pension Fund	Police Benefit Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 450	\$ 749	\$ 1,199
Employee	301	337	638
Total contributions	<u>751</u>	<u>1,086</u>	<u>1,837</u>
Investment income:			
Net appreciation fair value of investments	10,664	10,789	21,453
Interest and dividends	2,167	1,831	3,998
Miscellaneous	20	13	33
Total investment income	<u>12,851</u>	<u>12,633</u>	<u>25,484</u>
Less investment expense	<u>(180)</u>	<u>(145)</u>	<u>(325)</u>
Net investment income	<u>12,671</u>	<u>12,488</u>	<u>25,159</u>
Total additions	<u>13,422</u>	<u>13,574</u>	<u>26,996</u>
Deductions:			
Benefits	5,137	5,567	10,704
Administration	65	67	132
Total deductions	<u>5,202</u>	<u>5,634</u>	<u>10,836</u>
Net Increase	8,220	7,940	16,160
Net Assets Beginning of Year	<u>71,078</u>	<u>63,260</u>	<u>134,338</u>
Net Assets End of Year	<u>\$ 79,298</u>	<u>\$ 71,200</u>	<u>\$ 150,498</u>

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

	Fire	Police
	<u> </u>	<u> </u>
Retirees and beneficiaries currently receiving benefits	166	180
Active members	70	75
Terminated-vested	<u> </u>	<u>2</u>
Total	<u>236</u>	<u>257</u>

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS.

Methods Used to Value Investments: All funds are invested through an investment agreement with Fleet Investment Services and Paine Webber and are reported at fair value.

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, 2011, these required contributions were \$450 and \$743 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.

Annual Pension Cost and Net Pension Obligations

The City's annual pension cost and net pension obligation to the PERS for the current year were as follows:

	<u>Fire</u>	<u>Police</u>
Annual required contribution	\$ 450	\$ 743
Interest on net pension obligation	(100)	16
Adjustment to annual required contribution	<u>108</u>	<u>(17)</u>
Annual pension cost	458	742
Contributions made	<u>(450)</u>	<u>(749)</u>
Increase in net pension obligation	8	(7)
Net Pension Asset, Beginning of Year	<u>(1,341)</u>	<u>212</u>
Net Pension Obligation (Asset), End of Year	\$ <u><u>(1,333)</u></u>	\$ <u><u>205</u></u>

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

	<u>Fire</u>	<u>Police</u>
Actuarial Valuation Date	January 1, 2011	January 1, 2011
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage of Payroll-Closed	Level Percentage of Payroll-Closed
Remaining Amortization Period	25 years	25 years
Asset Valuation Method	90% of Market	90% of Market
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected Salary Increases*	3.5%	3.75%

*Includes inflation at 4%

Trend InformationFire Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2009	\$ 211	\$ 215	102%	\$ (1,585)
6/30/2010	455	211	47	(1,341)
6/30/2011	458	450	98	(1,333)

Police Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2009	\$ 84	\$ 85	101%	\$ (447)
6/30/2010	744	85	11	212
6/30/2011	742	749	101	205

Pension Plan Required Supplementary Information*Schedule of Funding Progress*Fire Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (c) (b-a)	Covered Payroll (d)	UAAL as % of Covered Payroll (c/d)
01/01/2007	\$ 83,474	\$ 74,781	\$ (8,693)	\$ 5,698	(152.6)%
01/01/2009	82,462	78,501	(3,961)	4,971	(79.7)
01/01/2011	79,711	79,785	74	4,853	1.5

Police Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (c) (b-a)	Covered Payroll (d)	UAAL as % of Covered Payroll (c/d)
01/01/2007	\$ 83,762	\$ 74,590	\$ (9,172)	\$ 6,356	(144.3)%
01/01/2009	79,361	80,340	979	5,829	16.8
01/01/2011	73,662	80,338	6,676	5,866	113.8

Schedule of Employer Contributions

Fire Plan

		<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2006	\$	234	256%
6/30/2007		433	174
6/30/2008		211	101
6/30/2009		211	101
6/30/2010		450	46
6/30/2011		450	100

Police Plan

		<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2006	\$	650	93%
6/30/2007		394	107
6/30/2008		85	101
6/30/2009		85	101
6/30/2010		743	11
6/30/2011		743	101

Single-Employer Defined Benefit Pension Plan

In addition to the above PERS, 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 service. 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.

There are 11 retirees, 10 beneficiaries and no active employees covered by this plan.

Summary of Significant Accounting Policies and Plan Asset Matters

The annual required contribution (ARC) and the annual pension cost represent the actual benefits paid out during the year.

Funding Policy

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.

Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost, which is equal to the annual benefit payments, for the current year amounted to \$597. The “pay-as-you-go” plan does not have a net pension obligation as of June 30, 2011.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 751	\$ 751	100%	N/A
6/30/2010	575	575	100	N/A
6/30/2011	597	597	100	N/A

Pension Plan Required Supplementary Information*Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
04/30/1996	\$ -0-	\$ 13,516	\$ 13,516	0.0 %	N/A	N/A
06/30/1997	-0-	12,270	12,270	0.0	N/A	N/A
06/30/2000 *	-0-	10,618	10,618	0.0	N/A	N/A

*latest actuarial valuation date

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
06/30/2006	\$ 831	100%
06/30/2007	787	100
06/30/2008	738	100
06/30/2009	751	100
06/30/2010	575	100
06/30/2011	597	100

Commonly accepted actuarial formulas and methods were employed for projecting the estimated pension payments for future years, and the computation of the actuarial liabilities for the “pay-as-you-go” plan. Amortization methods and periods, asset valuation methods and projected salary increases are not applicable.

Post Employment BenefitsSummary of Significant Accounting Policies

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

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

Plan Description

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

At July 1, 2010, plan membership consisted of the following:

Active members	1,759
Retired members	754
Spouses of retired members	<u>122</u>
Total Participants	<u><u>2,635</u></u>

Funding Policy

The City currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2011, 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>
25+	100%
20-24	80%
15-19	60%
10-14	40%

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

Board of Education

Teachers - Pre 65 is 100% retiree paid;

Administrator (Local 51) - Effective July 1, 2008 for pre-65 only, the Board will contribute up to 50% of the cost up to a maximum of \$7,500 per year for three additional years beyond the two year cost-share benefit previously provided. Retirees can continue coverage beyond the two-year period at their own expense. Spouses and dependents are covered and surviving spouses and dependents may continue coverage in accordance with COBRA.

NBSSA/AFSA - After eight years of continuous service, two of which in Local 818, retirees shall be offered coverage for the first two years from retirement at the same cost share in effect for active employees (2011-12, 14% Retiree/85% Board). The Board will also pay 50% of the cost up to a maximum \$7,500 per year for the cost of the retiree's benefits for three additional years (pre-65 only).

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

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 follow:

<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.

Annual OPEB Cost and Net OPEB Obligations

The City of New Britain's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 4,191
Interest on OPEB obligation	12
Adjustment to annual required contribution	<u>(9)</u>
Annual OPEB cost (expense)	4,194
Contributions made	<u>3,744</u>
Decrease in net OPEB obligation	450
Net OPEB obligation (asset), beginning of year	<u>150</u>
Net OPEB Obligation (Asset), End of Year	<u>\$ 600</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2011 is presented below.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2009	\$ 3,937	\$ 4,421	112.3%	\$ (389)
6/30/2010	3,977	3,438	86.5	150
6/30/2011	4,194	3,744	89.2	600

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2006	\$ -0-	\$ 42,853	\$ 42,853	0.0 %	N/A	N/A
7/1/2008	-0-	41,258	41,258	0.0	N/A	N/A
7/1/2010	974	48,213	47,239	2.0	N/A	N/A

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>		<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	
6/30/11	\$	4,191	89.33	%
6/30/10		3,983	86.47	
6/30/09		3,935	112.35	

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% after four years.

Certified Employees of the School District

All certified employees of the Consolidated School District of New Britain participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: (1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut or (2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Consolidated School District withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. For the year ended June 30, 2011, the certified employees of the City contributed \$4,792 to this plan, and the total payroll for certified employees covered by this plan for the year was \$66,097.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. These obligations are established under the authority of the Connecticut General Statutes. For the year ended June 30, 2011, the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$10,507 as payments made by the State of Connecticut on behalf of the City. This amount is significantly lower than the prior year because the State of Connecticut increased the contribution significantly in the prior year. The City does not have any liability for teacher pensions.

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

11. 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.

12. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2011 are as follows (in thousands):

	<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	\$	\$	\$	\$ 184	\$ 184
Trust purposes				2,699	2,699
Restricted for:					
Grants			186	5,511	5,697
Committed to:					
General government				129	129
Public safety	5			106	111
Public works				824	824
Health and welfare				633	633
Parks, recreation and libraries				331	331
Education				308	308
Assigned to:					
Education	379				379
Unassigned	<u>11,663</u>	<u>(13,092)</u>		<u>(1,666)</u>	<u>(3,095)</u>
Total Fund Balances	<u>\$ 12,047</u>	<u>\$ (13,092)</u>	<u>\$ 186</u>	<u>\$ 9,059</u>	<u>\$ 8,200</u>

Significant encumbrances at June 30, 2011 are contained in the above table in both the assigned categories of the General Fund.

13. PRIOR PERIOD ADJUSTMENTS

During the year, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This required the City to review its special revenue funds and determine if it has a revenue source that is restricted or committed for a specific purpose. This revenue source also needs to constitute a substantial portion of the resources in the fund. As a result, various special revenue funds did not meet those requirements and are now reported as part of the General Fund.

The beginning fund balances for the following funds were restated (in thousands):

	<u>General Fund</u>	<u>Nonmajor Governmental</u>
Balance at June 30, 2010	\$ 9,027	\$ 8,564
Dog Fund	10	(10)
BOE In-residence Fund		
YSB Fund	<u>(1)</u>	<u>1</u>
Restated Fund Balance at June 30, 2010	\$ <u>9,036</u>	\$ <u>8,555</u>

**Required Supplementary
Information**

CITY OF NEW BRITAIN, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
(In Thousands)**

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
General property taxes	\$ 106,829	\$ 106,829	\$ 105,234	\$ (1,595)
Interest and liens	1,200	1,200	1,670	470
Miscellaneous	2	2		(2)
Total property taxes	<u>108,031</u>	<u>108,031</u>	<u>106,904</u>	<u>(1,127)</u>
Intergovernmental revenues (State):				
State Education for the Blind	85	85	77	(8)
H.E.W. Private Schools	84	84	70	(14)
Special School Transportation	278	278	177	(101)
Elementary & Secondary Transportation	1,180	1,180	1,676	496
Special Education	3,512	3,512	3,595	83
Education Equalization	61,904	61,904	62,130	226
State Infraction Distribution	25	25	20	(5)
Principal Subsidy	2,707	2,707	2,662	(45)
Interest Subsidy	306	306	306	(0)
DCA Tax Abatements	30	30	32	2
Town Aid Road Fund	382	382	381	(1)
Veterans Exemption Reimbursement	28	28	28	-
Tax Relief for the Elderly	569	569	453	(116)
State Property Tax Relief	3,162	3,162	3,180	18
Telephone Access Line Tax Relief	219	219	141	(78)
Municipal Video Competition Grant	27	27	18	(9)
Civil Defense	25	25	32	7
Off Track Betting	184	184	164	(20)
State Pilot Hospital Colleges	2,555	2,555	2,565	10
State Pilot Model Housing			230	230
Manufacturers in Distress	78	78	212	134
Boat License Distribution	13	13	11	(2)
Bingo	1	1	1	-
Disability Exemption			14	14
Manufacturing Equipment Tax Reimbursement	1,400	1,400	1,182	(218)
Legalized Gaming Distribution	2,267	2,267	2,272	5
Dial a Ride	63	63	63	-
Total intergovernmental revenues (State)	<u>81,083</u>	<u>81,083</u>	<u>81,692</u>	<u>608</u>
Intergovernmental revenues (Other than State):				
In lieu of taxes	15	15		(15)
Total intergovernmental revenues	<u>81,098</u>	<u>81,098</u>	<u>81,692</u>	<u>593</u>
Licenses and permits:				
Building Structures and Equipment	748	748	406	(342)
All other license	305	305	378	73
Protection	55	55	54	(1)
Health	55	55	66	11
Disposal	13	13	15	2
Planning and Zoning	10	10	8	(2)
Total licenses and permits	<u>1,185</u>	<u>1,185</u>	<u>927</u>	<u>(258)</u>

(Continued on following 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, 2011

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services:				
City Hall Commissions Rent	\$ 111	\$ 111	\$ 131	\$ 20
Town Clerk	1,061	1,061	704	(357)
Recreation	742	779	598	(181)
Public Safety	902	902	1,295	393
Parking	1,904	1,904	1,939	35
Public Works - Project Management	160	160	160	1
Health	57	57	28	(29)
Sanitation and Fleet	2,336	2,336	2,583	247
Parking tickets	302	302	313	11
Assessor	2	2	2	(0)
Senior Center	16	16	10	(6)
Water Overhead	367	367	263	(104)
DMD Overhead	94	94		(94)
Other	69	69	49	(20)
Total charges for services	<u>8,124</u>	<u>8,160</u>	<u>8,075</u>	<u>(85)</u>
Total licenses, permits and charges for services	<u>9,309</u>	<u>9,346</u>	<u>9,002</u>	<u>(344)</u>
Other Revenue:				
Investment income	1,629	1,629	2,720	1,091
Miscellaneous	137	137	416	279
Sale of real estate property	2,950	2,950	3	(2,947)
Board of Education	275	275	30	(245)
Total other revenue	<u>4,991</u>	<u>4,991</u>	<u>3,169</u>	<u>(1,822)</u>
Total revenues	203,430	203,466	200,767	(2,700)
Other Financing Sources:				
Transfers in	<u>6,749</u>	<u>6,749</u>	<u>6,737</u>	<u>(12)</u>
Total Budgeted Revenues and Transfers	<u>\$ 210,179</u>	<u>\$ 210,215</u>	207,504	<u>\$ (2,712)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			10,507	
Underliquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.				
Premium on bond anticipation notes issued			492	
Premium on general obligation bonds issued			418	
Proceeds from the sale of refunding bonds			1,840	
Premium on refunding bonds			101	
Net effect of revenues for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			<u>141</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>\$ 221,003</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, 2011
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
Legislative	\$ 155	\$ 155	\$ 155	\$ -
Boards and Commissions	58	48	36	12
Judicial	62	83	76	7
Elections	468	536	536	(0)
Mayor's Office	403	403	354	49
Planning and Zoning	282	295	290	5
Finance	4,203	4,203	3,227	976
Recording and Reporting	655	657	668	(11)
Legal	1,184	1,367	1,454	(87)
Central Services	106	106	95	11
Total	<u>7,578</u>	<u>7,854</u>	<u>6,891</u>	<u>962</u>
Public Safety:				
Police	19,451	19,214	20,101	(887)
Fire	16,562	16,627	15,735	892
Lighting	825	789	809	(20)
Building	816	816	719	97
Civil Preparedness	171	171	172	(1)
Central Emergency Dispatch	2,128	2,113	2,005	108
Total	<u>39,953</u>	<u>39,731</u>	<u>39,541</u>	<u>190</u>
Public Works:				
Administration	476	475	477	(2)
Street Services	3,534	3,674	3,505	169
Public Buildings	3,098	3,106	2,897	209
Capital Project	1,044	970	955	15
Signals and Control	263	264	245	19
Waste Disposal	5,822	5,757	5,378	379
Total	<u>14,238</u>	<u>14,245</u>	<u>13,457</u>	<u>788</u>
Parks and Recreation:				
Administration	439	433	447	(14)
Forestry	256	256	263	(7)
Horticulture	351	351	359	(8)
Maintenance	2,558	2,585	2,623	(38)
Special Projects	22	22	21	1
Recreation Department	933	948	964	(16)
Willow Brook Sports Complex	259	290	201	89
City Supported Agencies	3,236	3,236	3,236	-
Cultural Organizations	66	66	59	7
Total	<u>8,121</u>	<u>8,187</u>	<u>8,173</u>	<u>14</u>

(Continued on following 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, 2011
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Health and Social Services:				
Rights and Opportunities Commission	\$ 121	\$ 121	\$ 118	\$ 3
Civil Service Commission	284	284	249	35
Nursing	445	445	356	89
Environmental Control	384	384	375	9
Administration	237	248	236	12
Social Services	103	103	90	13
Senior Center	672	672	647	25
Handicap Services	147	147	120	27
Veterans Services	98	98	95	3
Total	<u>2,491</u>	<u>2,502</u>	<u>2,286</u>	<u>216</u>
General Administration:				
Pension Contribution	1,194	1,194	1,194	-
Contingency	568	341		341
Total	<u>1,761</u>	<u>1,535</u>	<u>1,194</u>	<u>341</u>
Education	<u>108,943</u>	<u>108,955</u>	<u>108,420</u>	<u>535</u>
Debt Service	<u>26,724</u>	<u>26,724</u>	<u>25,070</u>	<u>1,654</u>
Total expenditures	<u>209,809</u>	<u>209,733</u>	<u>205,032</u>	<u>4,700</u>
Other financing uses:				
Transfers out:				
Dog Fund	109	109	109	-
Capital Nonrecurring		15	15	-
System of care grant	42	42	32	10
YSB Care Unit	219	219	168	51
Other		97	170	(73)
Total	<u>370</u>	<u>482</u>	<u>494</u>	<u>(12)</u>
Total	<u>\$ 210,179</u>	<u>\$ 210,215</u>	205,526	<u>\$ 4,688</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers'

Retirement System for City Teachers are not budgeted.

10,507

Encumbrances for purchases and commitments ordered but not received are reported
in the year the order is placed for budgetary purposes, but in the year received
for financial reporting purposes.

(115)

Payment to refunded bond escrow agent

1,941

Net effect of expenditures for Dog Fund, Board of Education in Residence
and YSB Funds not budgeted133Total Expenditures and Other Financing Uses as Reported on the Statement of
Revenues, Expenditures Changes in Fund Balances - Governmental Funds -
Exhibit IV\$ 217,992

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, 2011 AND 2010

(In Thousands)

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 9,428	\$ 15,925
Property taxes receivable, net of allowance for uncollectible accounts	12,065	11,097
Accounts receivable	495	2,750
Due from other governments	5,575	8,236
Due from other funds	<u>11,990</u>	<u>10,819</u>
Total Assets	<u>\$ 39,553</u>	<u>\$ 48,826</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 10,655	\$ 14,146
Due to other funds		7,219
Deferred revenues	<u>16,851</u>	<u>18,425</u>
Total liabilities	<u>27,506</u>	<u>39,790</u>
Fund balance:		
Nonspendable		
Restricted		
Committed	5	10
Assigned	379	1,372
Unassigned	<u>11,663</u>	<u>7,654</u>
Total fund balance	<u>12,047</u>	<u>9,036</u>
Total Liabilities and Fund Balance	<u>\$ 39,553</u>	<u>\$ 48,826</u>

CITY OF NEW BRITAIN, CONNECTICUT

GENERAL FUND

SCHEDULE OF TAX COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

Grand List Year	Mill Rate	Uncollected Taxes July 1, 2010	Net Lawful		Transfers To Suspense	Adjusted Amount Collectible	Collections				Uncollected Taxes June 30, 2011
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2009	36.63	\$ 107,567	\$ 265	\$ 692	\$	\$ 107,140	\$ 102,721	\$ 566	\$ 10	\$ 103,297	\$ 4,419
2008	34.98	4,007	37	54		3,990	2,029	442	8	2,479	1,961
2007	34.98	1,738	8	11		1,735	661	248	33	942	1,074
2006	45.89	1,094	1	47		1,048	234	128	14	376	814
2005	45.88	745		15		730	79	59	11	149	651
2004	45.89	539		2		537	29	26	6	61	508
2003	46.90	340		2		338	14	16	5	35	324
2002	46.93	412		2		410	13	18	4	35	397
2001	54.76	473		1		472	12	18	3	33	460
2000	50.88	450		1		449	9	16	2	27	440
1999	49.98	401				401	5	9	2	16	396
1998	49.42	365				365	4	7	2	13	361
1997	49.48	341				341	3	8	1	12	338
1996	49.58	344				344	2	7	1	10	342
1995	49.83	333				333	3	8	1	12	330
Total		\$ 119,149	\$ 311	\$ 827	\$ -	\$ 118,633	\$ 105,818	\$ 1,576	\$ 103	107,497	\$ 12,815

Property taxes receivable considered available:

June 30, 2010 (909)

June 30, 2011 789

Total Collections \$ 107,377

**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
FEMA Grant	Federal grant	Disaster relief
Police Explorers Program	Various funding sources	To introduce young men and women to the field of law enforcement
Martin Luther King Brick Sale	Donations	Account for the sale of bricks
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
American Legion Baseball	Various donations	To account for donations to American Legion Baseball
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
Local Property Tax Relief Program	Various funding sources	Tax abatement for low income seniors and veterans
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
Juvenile Justice Center	Federal and State grants	Prevent City youth from committing delinquent or re-entering the Juvenile Court System

Fund	Funding Source	Function
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
Mayor's Golf Tournament	Fees and charges for service	City golf tournament for the benefit of local charities
Health Per Capita	State grant	Augment local public health effort
Highway Safety Grant	State grant	Purchasing intoxilyzers for the City's police department
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
Housing Inspectors DMD	State, Federal and Local funding	Account for the salaries of two housing inspectors
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

CITY OF NEW BRITAIN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2011
(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
Assets								
Cash and cash equivalents	\$ 615	\$ 107	\$ 1,043	\$	\$	\$	\$	\$ 50
Investments								
Accounts receivable	4		15	4,180				
Loans receivable								
Due from other governments							1,137	
Due from other funds				473				
Inventory								
Total Assets	<u>\$ 619</u>	<u>\$ 107</u>	<u>\$ 1,058</u>	<u>\$ 4,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,137</u>	<u>\$ 50</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 78	\$ 1	\$ 13	\$ 55	\$	\$	\$ 84	\$
Due to other funds	888		663	3,774	6	6	1,058	
Deferred revenue								
Total liabilities	<u>966</u>	<u>1</u>	<u>676</u>	<u>3,829</u>	<u>6</u>	<u>6</u>	<u>1,142</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted								
Committed		106	382	824				50
Unassigned	(347)				(6)	(6)	(5)	
Total fund balances	<u>(347)</u>	<u>106</u>	<u>382</u>	<u>824</u>	<u>(6)</u>	<u>(6)</u>	<u>(5)</u>	<u>50</u>
Total Liabilities and Fund Balances	<u>\$ 619</u>	<u>\$ 107</u>	<u>\$ 1,058</u>	<u>\$ 4,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,137</u>	<u>\$ 50</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	<u>Special Revenue Funds</u>							
	<u>Lead Poisoning Prevention</u>	<u>American Savings Grant</u>	<u>FEMA Grant</u>	<u>Police Explorers</u>	<u>Martin Luther King Brick Sale</u>	<u>Preventative Health Block Grant</u>	<u>Parks & Recreation Special Projects</u>	<u>21st Century After School Grant</u>
Assets								
Cash and cash equivalents	\$ 1	\$	\$ 23	\$ 1	\$ 5	\$ 9	\$ 6	\$ 33
Investments								
Accounts receivable						6		
Loans receivable								
Due from other governments								
Due from other funds								
Inventory								
Total Assets	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 6</u>	<u>\$ 33</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$	\$ 6	\$	\$ 4	\$	\$	\$	\$ 8
Due to other funds		12						
Deferred revenue			26					
Total liabilities	<u>-</u>	<u>18</u>	<u>26</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
Fund Balances:								
Nonspendable								
Restricted						15		25
Committed	1				5		6	
Unassigned		(18)	(3)	(3)				
Total fund balances	<u>1</u>	<u>(18)</u>	<u>(3)</u>	<u>(3)</u>	<u>5</u>	<u>15</u>	<u>6</u>	<u>25</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 6</u>	<u>\$ 33</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	Special Revenue Funds							
	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant	System of Care Grant	Historical Records Preservation	21st Century Grant
Assets								
Cash and cash equivalents	\$ 13	\$	\$	\$	\$ 104	\$ 12	\$ 74	\$
Investments								
Accounts receivable								200
Loans receivable								
Due from other governments								
Due from other funds								
Inventory								
Total Assets	\$ 13	\$ -	\$ -	\$ -	\$ 104	\$ 12	\$ 74	\$ 200
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 10	\$	\$ 2	\$	\$ 7	\$ 8	\$	\$ 2
Due to other funds		10						58
Deferred revenue					29			
Total liabilities	10	10	2	-	36	8	-	60
Fund Balances:								
Nonspendable								
Restricted					68	4		140
Committed	3						74	
Unassigned		(10)	(2)					
Total fund balances	3	(10)	(2)	-	68	4	74	140
Total Liabilities and Fund Balances	\$ 13	\$ -	\$ -	\$ -	\$ 104	\$ 12	\$ 74	\$ 200

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	Special Revenue Funds							
	American Legion Baseball	Property Management	Public Safety	Centralized and Distribution Services	Local Property Tax Relief Program	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation
Assets								
Cash and cash equivalents	\$ 1	\$ 5	\$	\$ 1	\$	\$ 5	\$ 114	\$
Investments								
Accounts receivable								
Loans receivable								
Due from other governments								
Due from other funds								
Inventory								
Total Assets	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ 114	\$ -
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$	\$	\$ 3	\$ 9	\$	\$	\$	\$ 4
Due to other funds			180	226				25
Deferred revenue						67		
Total liabilities	-	-	183	235	-	-	67	29
Fund Balances:								
Nonspendable								
Restricted	1	5					47	
Committed						5		
Unassigned			(183)	(235)				(29)
Total fund balances	1	5	(183)	(235)	-	5	47	(29)
Total Liabilities and Fund Balances	\$ 1	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ 114	\$ -

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

Special Revenue Funds

	<u>Juvenile Justice Center</u>	<u>STD Control Program</u>	<u>Recreation Donation</u>	<u>Recreation Amusement</u>	<u>Mayor's Golf Tournament</u>	<u>Health Per Capita</u>	<u>Highway Safety Grant</u>	<u>Drug Investigation</u>
Assets								
Cash and cash equivalents	\$	\$ 5	\$ 233	\$ 11	\$ 45	\$ 156	\$	\$ 688
Investments								
Accounts receivable							35	
Loans receivable								
Due from other governments								
Due from other funds								
Inventory								
Total Assets	\$ -	\$ 5	\$ 233	\$ 11	\$ 45	\$ 156	\$ 35	\$ 688
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$	\$ 2	\$ 4	\$	\$ 1	\$ 3	\$ 6	\$ 60
Due to other funds	1						60	
Deferred revenue						24		
Total liabilities	1	2	4	-	1	27	66	60
Fund Balances:								
Nonspendable								
Restricted		3				129		628
Committed			229	11	44			
Unassigned	(1)						(31)	
Total fund balances	(1)	3	229	11	44	129	(31)	628
Total Liabilities and Fund Balances	\$ -	\$ 5	\$ 233	\$ 11	\$ 45	\$ 156	\$ 35	\$ 688

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	<u>Special Revenue Funds</u>							
	<u>Senior Citizens Center</u>	<u>Mobile Data Communication</u>	<u>Pulmonary Screening</u>	<u>Housing Inspectors DMD</u>	<u>Mayor's Fun Day</u>	<u>Assistance to CCSU Police Department</u>	<u>Asthma Initiative Grant</u>	<u>ARRA Paving Program</u>
Assets								
Cash and cash equivalents	\$ 26	\$ 926	\$ 102	\$ -	\$ -	\$ -	\$ 19	\$ -
Investments								
Accounts receivable								225
Loans receivable								
Due from other governments								
Due from other funds								
Inventory								
Total Assets	<u>\$ 26</u>	<u>\$ 926</u>	<u>\$ 102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 225</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ -	\$ 14	\$ -	\$ 1	\$ -	\$ 8	\$ -	\$ 49
Due to other funds						34		176
Deferred revenue								
Total liabilities	<u>-</u>	<u>14</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>225</u>
Fund Balances:								
Nonspendable								
Restricted		912	102					
Committed	26						19	
Unassigned				(1)		(42)		
Total fund balances	<u>26</u>	<u>912</u>	<u>102</u>	<u>(1)</u>	<u>-</u>	<u>(42)</u>	<u>19</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 26</u>	<u>\$ 926</u>	<u>\$ 102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 225</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	<u>Special Revenue Funds</u>							
	<u>Public Works Grants</u>	<u>Fireworks Fund</u>	<u>YSB Activity Fund</u>	<u>School Lunch Program</u>	<u>School Rental Account</u>	<u>High School Athletic</u>	<u>Adult Education</u>	<u>Summer School Music</u>
Assets								
Cash and cash equivalents	\$	\$ 1	\$ 6	\$ 407	\$ 172	\$ 192	\$ 78	\$ 38
Investments								
Accounts receivable	34							
Loans receivable								
Due from other governments				1,229				
Due from other funds								
Inventory				184				
Total Assets	<u>\$ 34</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ 1,820</u>	<u>\$ 172</u>	<u>\$ 192</u>	<u>\$ 78</u>	<u>\$ 38</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 9	\$	\$	\$ 940	\$	\$	\$	\$
Due to other funds	26				267			
Deferred revenue								
Total liabilities	<u>35</u>	<u>-</u>	<u>-</u>	<u>940</u>	<u>267</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable				184				
Restricted				1,229				
Committed		1	6			192	78	38
Unassigned	(1)			(533)	(95)			
Total fund balances	<u>(1)</u>	<u>1</u>	<u>6</u>	<u>880</u>	<u>(95)</u>	<u>192</u>	<u>78</u>	<u>38</u>
Total Liabilities and Fund Balances	<u>\$ 34</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ 1,820</u>	<u>\$ 172</u>	<u>\$ 192</u>	<u>\$ 78</u>	<u>\$ 38</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	Special Revenue Funds						
	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs
Assets							
Cash and cash equivalents	\$ 22	\$ 31	\$ 14	\$ 736	\$ 382	\$ 334	\$ 47
Investments							
Accounts receivable			18	654	41	7	
Loans receivable				1,986	3,069	1,622	
Due from other governments							
Due from other funds				83		3	
Inventory							
Total Assets	\$ 22	\$ 31	\$ 32	\$ 3,459	\$ 3,492	\$ 1,966	\$ 47
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 22		\$ 1	\$ 182	\$ 8		\$
Due to other funds		83		3	278	11	
Deferred revenue			46	1,986	3,069	1,622	
Total liabilities	22	83	47	2,171	3,355	1,633	-
Fund Balances:							
Nonspendable							
Restricted				1,288	137	333	
Committed							47
Unassigned		(52)	(15)				
Total fund balances	-	(52)	(15)	1,288	137	333	47
Total Liabilities and Fund Balances	\$ 22	\$ 31	\$ 32	\$ 3,459	\$ 3,492	\$ 1,966	\$ 47

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

Special Revenue Funds

	CHFA Broad Street Demolition	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park
Assets							
Cash and cash equivalents	\$ 109	\$ 6	\$ 39	\$ 47	\$ 4		\$ 10
Investments							282
Accounts receivable							
Loans receivable							
Due from other governments							
Due from other funds							
Inventory							
Total Assets	\$ 109	\$ 6	\$ 39	\$ 47	\$ 4	\$ -	\$ 292
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 11	\$ 12			\$ 7	\$ 14	
Due to other funds						25	
Deferred revenue							
Total liabilities	11	12	-	-	7	39	-
Fund Balances:							
Nonspendable							
Restricted							292
Committed	98		39	47			
Unassigned		(6)			(3)	(39)	
Total fund balances	98	(6)	39	47	(3)	(39)	292
Total Liabilities and Fund Balances	\$ 109	\$ 6	\$ 39	\$ 47	\$ 4	\$ -	\$ 292

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(In Thousands)

	<u>Special Revenue Funds</u>					<u>Interfund Eliminations</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Darius Miller Walnut Hill</u>	<u>C.B. Stanley Walnut Hill</u>	<u>Parks and Recreation</u>	<u>Darius Miller F/B/O Fairview Cemetery</u>	<u>Total</u>		
Assets							
Cash and cash equivalents	\$ 69	\$ 42	\$ 13	\$ 10	\$ 7,241	\$	\$ 7,241
Investments	1,077	1,410		231	3,000		3,000
Accounts receivable					5,419		5,419
Loans receivable					6,677		6,677
Due from other governments					2,366		2,366
Due from other funds					559	(86)	473
Inventory					184		184
Total Assets	\$ 1,146	\$ 1,452	\$ 13	\$ 241	\$ 25,446	\$ (86)	\$ 25,360
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$	\$	\$	\$	1,616	\$	1,616
Due to other funds					7,877	(86)	7,791
Deferred revenue					6,894		6,894
Total liabilities	-	-	-	-	16,387	(86)	16,301
Fund Balances:							
Nonspendable	1,006	1,452		241	2,883		2,883
Restricted	140		13		5,511		5,511
Committed					2,331		2,331
Unassigned					(1,666)		(1,666)
Total fund balances	1,146	1,452	13	241	9,059	-	9,059
Total Liabilities and Fund Balances	\$ 1,146	\$ 1,452	\$ 13	\$ 241	\$ 25,446	\$ (86)	\$ 25,360

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011
(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	
Revenues:								
Intergovernmental revenue	\$	\$	\$	\$	10	\$	1,137	\$
Investment earnings			240					
Licenses, fees and charges for goods and services	1,822	47	270	7,262				
Other revenues								25
Total revenues	<u>1,822</u>	<u>47</u>	<u>510</u>	<u>7,262</u>	<u>10</u>	<u>-</u>	<u>1,137</u>	<u>25</u>
Expenditures:								
General government								
Public safety		19			7			
Public works				5,932			1,129	
Health and welfare			471					
Parks, recreation and libraries	1,915							
Education								
Total expenditures	<u>1,915</u>	<u>19</u>	<u>471</u>	<u>5,932</u>	<u>7</u>	<u>-</u>	<u>1,129</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(93)</u>	<u>28</u>	<u>39</u>	<u>1,330</u>	<u>3</u>	<u>-</u>	<u>8</u>	<u>25</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out	<u>(75)</u>		<u>(11)</u>	<u>(906)</u>				
Total other financing sources (uses)	<u>(75)</u>	<u>-</u>	<u>(11)</u>	<u>(906)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(168)	28	28	424	3	-	8	25
Fund Balances at Beginning of Year	<u>(179)</u>	<u>78</u>	<u>354</u>	<u>400</u>	<u>(9)</u>	<u>(6)</u>	<u>(13)</u>	<u>25</u>
Fund Balances at End of Year	<u><u>\$(347)</u></u>	<u><u>\$ 106</u></u>	<u><u>\$ 382</u></u>	<u><u>\$ 824</u></u>	<u><u>\$(6)</u></u>	<u><u>\$(6)</u></u>	<u><u>\$(5)</u></u>	<u><u>\$ 50</u></u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

Special Revenue Funds

	Lead Poisoning Prevention	American Savings Grant	FEMA Grant	Police Explorers	Martin Luther King Brick Sale	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant
Revenues:								
Intergovernmental revenue	\$	\$ 93	\$ 228	\$	\$	\$ 13	\$	\$ 81
Investment earnings								
Licenses, fees and charges for goods and services							27	
Other revenues			2					
Total revenues	<u>-</u>	<u>93</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>27</u>	<u>81</u>
Expenditures:								
General government								
Public safety			282	7				
Public works								
Health and welfare						13		
Parks, recreation and libraries		98					18	85
Education								
Total expenditures	<u>-</u>	<u>98</u>	<u>282</u>	<u>7</u>	<u>-</u>	<u>13</u>	<u>18</u>	<u>85</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(5)</u>	<u>(52)</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>(4)</u>
Other Financing Sources (Uses):								
Transfers in			52					
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>(4)</u>
Fund Balances at Beginning of Year	<u>1</u>	<u>(13)</u>	<u>(3)</u>	<u>4</u>	<u>5</u>	<u>15</u>	<u>(3)</u>	<u>29</u>
Fund Balances at End of Year	<u>\$ 1</u>	<u>\$ (18)</u>	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 6</u>	<u>\$ 25</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	<u>Special Revenue Funds</u>							
	<u>Exercise the Right Choice</u>	<u>Exercise the Right Choice II</u>	<u>Immunization Action Plan</u>	<u>Bullet Proof Vest Grant</u>	<u>Bioterrorism Grant</u>	<u>System of Care Grant</u>	<u>Historical Records Preservation</u>	<u>21st Century Grant</u>
Revenues:								
Intergovernmental revenue	\$ 134	\$ 30	\$	\$ 10	\$ 110	\$	\$ 6	\$ 273
Investment earnings								
Licenses, fees and charges for goods and services								
Other revenues					11	116	13	8
Total revenues	<u>134</u>	<u>30</u>	<u>-</u>	<u>10</u>	<u>121</u>	<u>116</u>	<u>19</u>	<u>281</u>
Expenditures:								
General government							8	
Public safety				5				
Public works								
Health and welfare			2		121	149		
Parks, recreation and libraries	135	25						193
Education								
Total expenditures	<u>135</u>	<u>25</u>	<u>2</u>	<u>5</u>	<u>121</u>	<u>149</u>	<u>8</u>	<u>193</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1)</u>	<u>5</u>	<u>(2)</u>	<u>5</u>	<u>-</u>	<u>(33)</u>	<u>11</u>	<u>88</u>
Other Financing Sources (Uses):								
Transfers in				14		32		
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1)	5	(2)	19	-	(1)	11	88
Fund Balances at Beginning of Year	<u>4</u>	<u>(15)</u>	<u>-</u>	<u>(19)</u>	<u>68</u>	<u>5</u>	<u>63</u>	<u>52</u>
Fund Balances at End of Year	<u>\$ 3</u>	<u>\$ (10)</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 4</u>	<u>\$ 74</u>	<u>\$ 140</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	Special Revenue Funds							
	American Legion Baseball	Property Management	Public Safety	Centralized and Distribution Services	Local Property Tax Relief Program	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation
Revenues:								
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$ 115	\$
Investment earnings								
Licenses, fees and charges for goods and services				29				
Other revenues						1		
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>1</u>	<u>115</u>	<u>-</u>
Expenditures:								
General government				113				
Public safety			67				86	210
Public works								
Health and welfare								
Parks, recreation and libraries						1		
Education								
Total expenditures	<u>-</u>	<u>-</u>	<u>67</u>	<u>113</u>	<u>-</u>	<u>1</u>	<u>86</u>	<u>210</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(67)</u>	<u>(84)</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>(210)</u>
Other Financing Sources (Uses):								
Transfers in							15	
Transfers out					(745)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(745)</u>	<u>-</u>	<u>15</u>	<u>-</u>
Net Change in Fund Balances	-	-	(67)	(84)	(745)	-	44	(210)
Fund Balances at Beginning of Year	<u>1</u>	<u>5</u>	<u>(116)</u>	<u>(151)</u>	<u>745</u>	<u>5</u>	<u>3</u>	<u>181</u>
Fund Balances at End of Year	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ (183)</u>	<u>\$ (235)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 47</u>	<u>\$ (29)</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

		<u>Special Revenue Funds</u>							
		<u>Juvenile Justice Center</u>	<u>STD Control Program</u>	<u>Recreation Donation</u>	<u>Recreation Amusement</u>	<u>Mayor's Golf Tournament</u>	<u>Health Per Capita</u>	<u>Highway Safety Grant</u>	<u>Drug Investigation</u>
Revenues:									
	Intergovernmental revenue	\$	\$ 13	\$	\$	\$	\$ 60	\$ 65	\$ 665
	Investment earnings								
	Licenses, fees and charges for goods and services								
	Other revenues	125		96	15	62	39		
	Total revenues	<u>125</u>	<u>13</u>	<u>96</u>	<u>15</u>	<u>62</u>	<u>99</u>	<u>65</u>	<u>665</u>
08	Expenditures:								
	General government								
	Public safety							64	218
	Public works								
	Health and welfare	125	13				99		
	Parks, recreation and libraries			34	17	40			
	Education								
	Total expenditures	<u>125</u>	<u>13</u>	<u>34</u>	<u>17</u>	<u>40</u>	<u>99</u>	<u>64</u>	<u>218</u>
	Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>62</u>	<u>(2)</u>	<u>22</u>	<u>-</u>	<u>1</u>	<u>447</u>
	Other Financing Sources (Uses):								
	Transfers in							32	
	Transfers out								
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>-</u>
	Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>62</u>	<u>(2)</u>	<u>22</u>	<u>-</u>	<u>33</u>	<u>447</u>
	Fund Balances at Beginning of Year	<u>(1)</u>	<u>3</u>	<u>167</u>	<u>13</u>	<u>22</u>	<u>129</u>	<u>(64)</u>	<u>181</u>
	Fund Balances at End of Year	<u>\$ (1)</u>	<u>\$ 3</u>	<u>\$ 229</u>	<u>\$ 11</u>	<u>\$ 44</u>	<u>\$ 129</u>	<u>\$ (31)</u>	<u>\$ 628</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

		<u>Special Revenue Funds</u>							
		<u>Senior Citizens Center</u>	<u>Mobile Data Communication</u>	<u>Pulmonary Screening</u>	<u>Housing Inspectors DMD</u>	<u>Mayor's Fun Day</u>	<u>Assistance to CCSU Police Department</u>	<u>Asthma Initiative Grant</u>	<u>ARRA Paving Program</u>
Revenues:									
Intergovernmental revenue	\$		\$ 161	\$ 38	\$	\$	\$	\$	\$ 1,445
Investment earnings									
Licenses, fees and charges for goods and services		11							
Other revenues								3	
Total revenues		<u>11</u>	<u>161</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>1,445</u>
Expenditures:									
General government									
Public safety			29				34		
Public works									1,445
Health and welfare				4				2	
Parks, recreation and libraries		11				6			
Education									
Total expenditures		<u>11</u>	<u>29</u>	<u>4</u>	<u>-</u>	<u>6</u>	<u>34</u>	<u>2</u>	<u>1,445</u>
Excess (Deficiency) of Revenues over Expenditures		<u>-</u>	<u>132</u>	<u>34</u>	<u>-</u>	<u>(6)</u>	<u>(34)</u>	<u>1</u>	<u>-</u>
Other Financing Sources (Uses):									
Transfers in					6	6			
Transfers out									
Total other financing sources (uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		<u>-</u>	<u>132</u>	<u>34</u>	<u>6</u>	<u>-</u>	<u>(34)</u>	<u>1</u>	<u>-</u>
Fund Balances at Beginning of Year		<u>26</u>	<u>780</u>	<u>68</u>	<u>(7)</u>	<u>-</u>	<u>(8)</u>	<u>18</u>	<u>-</u>
Fund Balances at End of Year	\$	<u><u>26</u></u>	<u><u>912</u></u>	<u><u>102</u></u>	<u><u>(1)</u></u>	<u><u>-</u></u>	<u><u>(42)</u></u>	<u><u>19</u></u>	<u><u>-</u></u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

	<u>Special Revenue Funds</u>							
	<u>Public Works Grants</u>	<u>Fireworks Fund</u>	<u>YSB Program Activity</u>	<u>School Lunch Program</u>	<u>School Rental Account</u>	<u>High School Athletic</u>	<u>Adult Education</u>	<u>Summer School Music</u>
Revenues:								
Intergovernmental revenue	\$ 34	\$	\$	\$ 4,866	\$	\$	\$	\$
Investment earnings					32			
Licenses, fees and charges for goods and services				482		223	11	2
Other revenues		1	8					
Total revenues	<u>34</u>	<u>1</u>	<u>8</u>	<u>5,348</u>	<u>32</u>	<u>223</u>	<u>11</u>	<u>2</u>
Expenditures:								
General government								
Public safety								
Public works	35							
Health and welfare								
Parks, recreation and libraries								
Education			8	5,522	73	272	9	1
Total expenditures	<u>35</u>	<u>-</u>	<u>8</u>	<u>5,522</u>	<u>73</u>	<u>272</u>	<u>9</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>(174)</u>	<u>(41)</u>	<u>(49)</u>	<u>2</u>	<u>1</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out			(6)					
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1)	1	(6)	(174)	(41)	(49)	2	1
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>12</u>	<u>1,054</u>	<u>(54)</u>	<u>241</u>	<u>76</u>	<u>37</u>
Fund Balances at End of Year	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ 880</u>	<u>\$ (95)</u>	<u>\$ 192</u>	<u>\$ 78</u>	<u>\$ 38</u>

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CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

		<u>Special Revenue Funds</u>						
		<u>Community and Neighborhood Development</u>	<u>Business Outreach</u>	<u>Emergency Shelter Grant</u>	<u>Community Development Block Grant</u>	<u>HOME Project</u>	<u>Lead Grant</u>	<u>State Home Programs</u>
Revenues:								
Intergovernmental revenue	\$		\$	\$ 530	\$ 2,714	\$ 1,140	\$	\$
Investment earnings					35			
Licenses, fees and charges for goods and services								
Other revenues			93					
Total revenues		<u>-</u>	<u>93</u>	<u>530</u>	<u>2,749</u>	<u>1,140</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government								
Public safety								
Public works								
Health and welfare				379	2,753	1,018		
Parks, recreation and libraries								
Education								
Total expenditures		<u>-</u>	<u>-</u>	<u>379</u>	<u>2,753</u>	<u>1,018</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures		<u>-</u>	<u>93</u>	<u>151</u>	<u>(4)</u>	<u>122</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>
Net Change in Fund Balances		<u>-</u>	<u>93</u>	<u>151</u>	<u>(4)</u>	<u>122</u>	<u>-</u>	<u>-</u>
Fund Balances at Beginning of Year		<u>-</u>	<u>(145)</u>	<u>(166)</u>	<u>1,292</u>	<u>15</u>	<u>333</u>	<u>47</u>
Fund Balances at End of Year	\$	<u>-</u>	<u>(52)</u>	<u>(15)</u>	<u>1,288</u>	<u>137</u>	<u>333</u>	<u>47</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	Special Revenue Funds						
	CHFA Broad Street Demolition	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park
Revenues:							
Intergovernmental revenue	\$	\$	\$	\$	\$	\$ 469	\$
Investment earnings							46
Licenses, fees and charges for goods and services							
Other revenues							
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>46</u>
Expenditures:							
General government							
Public safety							
Public works							
Health and welfare						469	
Parks, recreation and libraries							6
Education							
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>6</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</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>
Net Change in Fund Balances	-	-	-	-	-	-	40
Fund Balances at Beginning of Year	<u>98</u>	<u>(6)</u>	<u>39</u>	<u>47</u>	<u>(3)</u>	<u>(39)</u>	<u>252</u>
Fund Balances at End of Year	<u>\$ 98</u>	<u>\$ (6)</u>	<u>\$ 39</u>	<u>\$ 47</u>	<u>\$ (3)</u>	<u>\$ (39)</u>	<u>\$ 292</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

Special Revenue Funds

	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery	Total	Interfund Eliminations	Total Nonmajor Governmental Funds
Revenues:							
Intergovernmental revenue	\$	\$	\$	\$	\$ 14,440	\$	\$ 14,440
Investment earnings	124	264		43	784		784
Licenses, fees and charges for goods and services					10,186		10,186
Other revenues					618		618
Total revenues	<u>124</u>	<u>264</u>	<u>-</u>	<u>43</u>	<u>26,028</u>	<u>-</u>	<u>26,028</u>
Expenditures:							
General government					121		121
Public safety					1,028		1,028
Public works					8,541		8,541
Health and welfare					5,618		5,618
Parks, recreation and libraries	70	79		12	2,745		2,745
Education					5,885		5,885
Total expenditures	<u>70</u>	<u>79</u>	<u>-</u>	<u>12</u>	<u>23,938</u>	<u>-</u>	<u>23,938</u>
Excess (Deficiency) of Revenues over Expenditures	<u>54</u>	<u>185</u>	<u>-</u>	<u>31</u>	<u>2,090</u>	<u>-</u>	<u>2,090</u>
Other Financing Sources (Uses):							
Transfers in					157	(6)	151
Transfers out					(1,743)	6	(1,737)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,586)</u>	<u>-</u>	<u>(1,586)</u>
Net Change in Fund Balances	54	185	-	31	504	-	504
Fund Balances at Beginning of Year	<u>1,092</u>	<u>1,267</u>	<u>13</u>	<u>210</u>	<u>8,555</u>	<u>-</u>	<u>8,555</u>
Fund Balances at End of Year	<u>\$ 1,146</u>	<u>\$ 1,452</u>	<u>\$ 13</u>	<u>\$ 241</u>	<u>\$ 9,059</u>	<u>\$ -</u>	<u>\$ 9,059</u>

**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 EXPENDITURES - ACTUAL VS. APPROPRIATIONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)**

Project Description	Amended Budget	Current Year Expenditures and Transfers	Cumulative Expenditures	Encumbered	Available Budget
Capital Equipment Reserve #004	\$ 14,975	\$ 1,863	\$ 12,205	\$ -	\$ 2,770
Capital and Nonrecurring #003	30,452	90	29,567	-	885
Subway #005	471	23	1,241	-	(770)
Lincoln, Northend, Vance	43,800		43,325	-	475
New Britain High School	16,595	36	16,477	-	118
ReRoof Schools	8,225	14	7,789	-	436
Entrance/Security	1,700	9	1,681	-	19
NBHS Code Compliance City	95	18	18	-	77
NBHS Code Compliance	3,000	1,894	2,394	-	606
Smalley Academy Chiller	500	11	490	-	10
Diloretto School Renovation	10,000	399	443	-	9,557
City Hall Renovation	7			-	7
Badolato & Szczesny Garage Repairs	5,075	95	1,173	-	3,902
MERF Pension	66			-	66
Technology Bond	2,000	193	1,392	-	608
2007 Revaluation	1,200		800	-	400
Broad, Beaver, Main and North	6,600	217	6,334	-	266
Main Street Reconstruction				-	-
Arch Street Walkway				-	-
Police Headquarters Renovation	3,500		3,071	-	429
EMS Ambulance	3,375	1	3,612	-	(237)
Golf Driving Range				-	-
Storm Water System Improvements	4,750	617	3,384	-	1,366
Environmental Remediation	6,750	800	6,481	-	269
Local Capital Improvements	950		334	-	616
Fafnir Booth Street Industrial Park	8,550	15	8,540	-	10
St Clair, Lester, East Street	2,200		2,175	-	25
Hart Street Extension	9,500	6	6,998	-	2,502
Street Infrastructure	22,058	1,537	15,844	-	6,214
Transfer Station Rehab	6,873	1,232	1,426	-	5,447
Broad Street Reconstruction	13,300	844	8,286	-	5,014
NB Machine Industrial Park	3,600		3,333	-	267
Fafnir Smart Park Expansion	3,250	20	2,849	-	401
Downtown Feasibility Study	250		250	-	-
Willow Street Project	5,350	313	5,348	-	2
Bridge Program	5,775	194	965	-	4,810
Pinnacle Heights	7,946	345	5,908	-	2,038
Sewer I&I Improvements	17,775	68	13,392	-	4,383
Beaver St Reconstruction	7,300	109	309	-	6,991
New Police Station	35,000	8,387	7,395	-	27,605
Adv Refunding	4,700		92	-	4,608
2011 Revaluation		1	1	-	(1)
Total	\$ 317,511	\$ 19,351	\$ 225,319	\$ -	\$ 92,192

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 monies reserved for future insurance expenditures.

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, 2011
(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>
Assets					
Cash and cash equivalents	\$	\$	\$ 260	\$ 477	\$ 737
Investments			18,929	1,687	20,616
Accounts receivable			51	7	58
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,240</u>	<u>\$ 2,171</u>	<u>\$ 21,411</u>
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$	\$ 163	\$ 39	\$	\$ 202
Due to other funds	277	2,519	1,381		4,177
Claim reserves		1,543	17,253	2,008	20,804
Total liabilities	277	4,225	18,673	2,008	25,183
Net Assets	<u>(277)</u>	<u>(4,225)</u>	<u>567</u>	<u>163</u>	<u>(3,772)</u>
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,240</u>	<u>\$ 2,171</u>	<u>\$ 21,411</u>

CITY OF NEW BRITAIN, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETSFOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	<u>Special Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Total</u>
Operating Revenues:					
Charges to other funds	\$	\$ 16,450	\$ 1,128	\$	\$ 17,578
Other revenues		6,126		124	6,250
Total operating revenues	<u>-</u>	<u>22,576</u>	<u>1,128</u>	<u>124</u>	<u>23,828</u>
Operating Expenses:					
Claims incurred		25,319	1,794	45	27,158
Administrative costs		516	178	11	705
Total operating expenses	<u>-</u>	<u>25,835</u>	<u>1,972</u>	<u>56</u>	<u>27,863</u>
Operating Income (Loss)	<u>-</u>	<u>(3,259)</u>	<u>(844)</u>	<u>68</u>	<u>(4,035)</u>
Nonoperating Revenues (Expenses):					
Interest and dividends			2,354	210	2,564
Decrease in actuarial claims reserve		(222)			(222)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(222)</u>	<u>2,354</u>	<u>210</u>	<u>2,342</u>
Change in Net Assets	-	(3,481)	1,510	278	(1,693)
Net Assets Beginning of Year	<u>(277)</u>	<u>(744)</u>	<u>(943)</u>	<u>(115)</u>	<u>(2,079)</u>
Net Assets End of Year	<u>\$ (277)</u>	<u>\$ (4,225)</u>	<u>\$ 567</u>	<u>\$ 163</u>	<u>\$ (3,772)</u>

CITY OF NEW BRITAIN, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011

(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Total
Cash Flows from Operating Activities:					
Cash received from charges to other funds	\$	\$ 17,602	\$ 1,128	\$ 356	\$ 19,086
Cash received from other operating activities		6,126	28	124	6,278
Cash paid for premiums and other operating expenses		(706)	(154)	(5)	(865)
Cash payments for claims made		(22,800)	(1,040)	(45)	(23,885)
Net cash provided by (used in) operating activities	-	222	(38)	430	614
Cash Flows from Investing Activities:					
Interest income			2,354	210	2,564
Actuarial claims reserve		(222)			(222)
Purchase of investments					
Sale of investments			(2,636)	(213)	(2,849)
Net cash used in investing activities	-	(222)	(282)	(3)	(507)
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(320)	427	107
Cash and Cash Equivalents Beginning of Year	-	-	580	50	630
Cash and Cash Equivalents End of Year	\$ -	\$ -	\$ 260	\$ 477	\$ 737
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ -	\$ (2,066)	\$ (844)	\$ 68	\$ (2,842)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Decrease in due from other funds		1,152		356	1,508
(Increase) decrease in accounts receivable			28		28
Increase in accounts payable and accrued expenses		(190)	24	6	(160)
Increase in due to other funds		1,326	754		2,080
Total adjustments	-	2,288	806	362	3,456
Net Cash Provided by (Used in) Operating Activities	\$ -	\$ 222	\$ (38)	\$ 430	\$ 614
Noncash Investment Activities:					
Net Increase in the Fair Value of Investments	\$ -	\$ -	\$ 2,354	\$ 210	\$ 2,564

Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary 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. Fiduciary Funds are not included in the government-wide statements. The Fiduciary Funds are as follows:

Pension Trust Funds - to account for the accumulation of resources to be used for retirement annuity payments in accordance with contract amounts and times in the future. These funds cover all members of the Fire Department and sworn members of the Police Department. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial study.

OPEB Trust Fund - to account for the activities for both Town and Board of Education for other post employment benefits, which accumulates resources for benefit payments to qualified employees.

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 their 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.

CITY OF NEW BRITAIN, CONNECTICUT
PENSION TRUST FUNDS AND OPEB TRUST FUND
COMBINING BALANCE SHEET

June 30, 2011
(In Thousands)

	<u>Pension Trust Funds</u>			<u>OPEB Trust Fund</u>
	<u>Firemen's Pension Fund</u>	<u>Police Benefit Fund</u>	<u>Total</u>	
Assets				
Cash and cash equivalents	\$ 6,328	\$ 4,794	\$ 11,122	\$ 3
Investments	74,440	68,049	142,489	1,129
Accounts receivable	<u>257</u>	<u>161</u>	<u>418</u>	<u> </u>
Total Assets	<u>\$ 81,025</u>	<u>\$ 73,004</u>	<u>\$ 154,029</u>	<u>\$ 1,132</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 1,727	\$ 1,782	\$ 3,509	\$
Due to other funds	<u> </u>	<u>22</u>	<u>22</u>	<u> </u>
Total liabilities	<u>1,727</u>	<u>1,804</u>	<u>3,531</u>	<u> </u>
Net Assets Held in Trust for Pension Benefits	<u>79,298</u>	<u>71,200</u>	<u>150,498</u>	<u>1,132</u>
Total Liabilities and Net Assets	<u>\$ 81,025</u>	<u>\$ 73,004</u>	<u>\$ 154,029</u>	<u>\$ 1,132</u>

CITY OF NEW BRITAIN, CONNECTICUT
PENSION TRUST FUNDS AND OPEB TRUST FUND
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(In Thousands)

	<u>Pension Trust Funds</u>			<u>OPEB Trust Fund</u>
	<u>Firemen's Pension Fund</u>	<u>Police Benefit Fund</u>	<u>Total</u>	
Additions:				
Contributions:				
Employer	\$ 450	\$ 749	\$ 1,199	\$ 3,744
Employee	301	337	638	
Total contributions	<u>751</u>	<u>1,086</u>	<u>1,837</u>	<u>3,744</u>
Investment income:				
Net appreciation fair value of investments	10,664	10,789	21,453	139
Interest and dividends	2,167	1,831	3,998	27
Miscellaneous	20	13	33	
Total investment income	<u>12,851</u>	<u>12,633</u>	<u>25,484</u>	<u>166</u>
Less investment expense	<u>(180)</u>	<u>(145)</u>	<u>(325)</u>	
Net investment income	<u>12,671</u>	<u>12,488</u>	<u>25,159</u>	<u>166</u>
Total additions	<u>13,422</u>	<u>13,574</u>	<u>26,996</u>	<u>3,910</u>
Deductions:				
Benefits	5,137	5,567	10,704	3,744
Administration	65	67	132	8
Total deductions	<u>5,202</u>	<u>5,634</u>	<u>10,836</u>	<u>3,752</u>
Net Increase	8,220	7,940	16,160	158
Net Assets Beginning of Year	<u>71,078</u>	<u>63,260</u>	<u>134,338</u>	<u>974</u>
Net Assets End of Year	<u>\$ 79,298</u>	<u>\$ 71,200</u>	<u>\$ 150,498</u>	<u>\$ 1,132</u>

CITY OF NEW BRITAIN, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

AS OF JUNE 30, 2011

(In Thousands)

	<u>Contractor's Bond Fund</u>	<u>Student Activity Funds</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 270	\$ 93	\$ 363
Investments	<u>227</u>	<u>104</u>	<u>331</u>
Total Assets	<u>\$ 497</u>	<u>\$ 197</u>	<u>\$ 694</u>
Liabilities and Fund Balance			
Liabilities:			
Due to beneficiaries	\$ <u>497</u>	\$ <u>197</u>	\$ <u>694</u>
Total Liabilities and Fund Balance	<u>\$ 497</u>	<u>\$ 197</u>	<u>\$ 694</u>

CITY OF NEW BRITAIN, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Contractor's Bond Fund				
Assets:				
Cash and cash equivalents	\$ 360	\$	\$ 90	\$ 270
Investments	<u>174</u>	<u>59</u>	<u>6</u>	<u>227</u>
Total	<u>\$ 534</u>	<u>\$ 59</u>	<u>\$ 96</u>	<u>\$ 497</u>
Liabilities:				
Due to beneficiaries	<u>\$ 534</u>	<u>\$ 8</u>	<u>\$ 45</u>	<u>\$ 497</u>
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ 111	\$ 518	\$ 536	\$ 93
Investments	<u>103</u>	<u>1</u>	<u></u>	<u>104</u>
Total	<u>\$ 214</u>	<u>\$ 519</u>	<u>\$ 536</u>	<u>\$ 197</u>
Liabilities:				
Due to beneficiaries	<u>\$ 214</u>	<u>\$ 519</u>	<u>\$ 536</u>	<u>\$ 197</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 471	\$ 518	\$ 626	\$ 363
Investments	<u>277</u>	<u>60</u>	<u>6</u>	<u>331</u>
Total	<u>\$ 748</u>	<u>\$ 578</u>	<u>\$ 632</u>	<u>\$ 694</u>
Liabilities:				
Due to beneficiaries	<u>\$ 748</u>	<u>\$ 527</u>	<u>\$ 581</u>	<u>\$ 694</u>

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

CITY OF NEW BRITAIN, CONNECTICUT

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:										
Invested in capital assets, net of related debt	\$ 137,210	\$ 153,258	\$ 152,453	\$ 147,314	\$ 121,481	\$ 103,955	\$ 87,181	\$ 103,464	\$ 75,845	\$ 70,578
Restricted	2,883	2,483	2,381	2,714	2,734	2,687	2,589	2,535	2,821	3,054
Unrestricted	<u>(27,443)</u>	<u>(50,521)</u>	<u>(54,702)</u>	<u>(43,784)</u>	<u>(32,020)</u>	<u>(27,256)</u>	<u>(27,525)</u>	<u>(55,164)</u>	<u>(47,686)</u>	<u>(49,647)</u>
Total governmental activities net assets	<u>112,650</u>	<u>105,220</u>	<u>100,132</u>	<u>106,244</u>	<u>92,195</u>	<u>79,386</u>	<u>62,245</u>	<u>50,835</u>	<u>30,980</u>	<u>23,985</u>
Business-type activities:										
Invested in capital assets, net of related debt	27,883	27,181	26,456	25,400	25,320	23,391	21,575	17,857	19,161	16,638
Unrestricted	<u>20,425</u>	<u>24,519</u>	<u>23,623</u>	<u>20,523</u>	<u>17,705</u>	<u>18,377</u>	<u>14,821</u>	<u>16,159</u>	<u>8,882</u>	<u>4,887</u>
Total business-type activities net assets	<u>48,308</u>	<u>51,700</u>	<u>50,079</u>	<u>45,923</u>	<u>43,025</u>	<u>41,768</u>	<u>36,396</u>	<u>34,016</u>	<u>28,043</u>	<u>21,525</u>
Primary government:										
Invested in capital assets, net of related debt	165,093	180,439	178,909	172,714	146,801	127,346	108,756	121,321	95,006	87,216
Restricted	2,883	2,483	2,381	2,714	2,734	2,687	2,589	2,535	2,821	3,054
Unrestricted	<u>(7,018)</u>	<u>(26,002)</u>	<u>(31,079)</u>	<u>(23,261)</u>	<u>(14,315)</u>	<u>(8,879)</u>	<u>(12,704)</u>	<u>(39,005)</u>	<u>(38,804)</u>	<u>(44,760)</u>
Total Primary Government Net Assets	<u>\$ 160,958</u>	<u>\$ 156,920</u>	<u>\$ 150,211</u>	<u>\$ 152,167</u>	<u>\$ 135,220</u>	<u>\$ 121,154</u>	<u>\$ 98,641</u>	<u>\$ 84,851</u>	<u>\$ 59,023</u>	<u>\$ 45,510</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.

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

		FISCAL YEAR									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses:											
Governmental activities:											
General government	\$	12,083	\$ 8,596	\$ 13,414	\$ 12,547	\$ 12,165	\$ 8,041	\$ 6,413	\$ 4,862	\$ 5,706	\$ 7,707
Public safety		41,086	40,102	36,142	33,466	33,434	37,152	35,492	34,679	29,398	27,217
Public works		23,171	25,668	26,500	10,436	22,746	20,445	21,083	17,741	22,828	19,245
Health and welfare		8,225	8,643	8,763	8,707	6,786	8,373	9,153	10,107	10,286	7,966
Parks, recreation and libraries		11,462	11,348	12,249	9,275	10,097	11,609	12,334	12,638	13,169	11,802
Education		173,807	163,027	159,235	204,322	146,783	143,287	139,567	136,052	129,607	129,493
Interest on long-term debt		10,907	10,036	10,813	10,032	11,876	10,568	12,092	12,226	12,299	13,601
Total governmental activities expenses		<u>280,741</u>	<u>267,420</u>	<u>267,116</u>	<u>288,785</u>	<u>243,887</u>	<u>239,475</u>	<u>236,134</u>	<u>228,305</u>	<u>223,293</u>	<u>217,031</u>
Business-type activities:											
Water		<u>10,432</u>	<u>10,560</u>	<u>9,034</u>	<u>11,048</u>	<u>11,034</u>	<u>9,309</u>	<u>9,031</u>	<u>7,112</u>	<u>5,794</u>	<u>6,328</u>
Total Primary Government Expenses	\$	<u>291,173</u>	<u>277,980</u>	<u>276,150</u>	<u>299,833</u>	<u>254,921</u>	<u>248,784</u>	<u>245,165</u>	<u>235,417</u>	<u>229,087</u>	<u>223,359</u>
Program Revenues:											
Governmental activities:											
Charges for services											
General government	\$	969	\$ 1,209	\$ 1,376	\$ 1,488	\$ 2,057	\$ 4,694	\$ 3,015	\$ 1,588	\$ 726	\$ 602
Public safety		2,140	2,593	2,743	3,125	2,916	2,362	2,258	2,366	2,399	2,378
Public works		12,818	12,387	10,240	12,111	8,011	10,449	9,371	9,933	8,552	8,033
Health and welfare		96	450	1,921	684	179	928	714	1,806	638	309
Parks, recreation and libraries		2,667	3,085	2,872	3,043	2,718	2,677	2,597	2,514	2,001	1,834
Education		777	1,586	5,835	1,791	2,546	3,980	3,293	1,328	1,040	1,182
Nondepartmental fixed charges											2,882
Interest on long-term debt											2,067
Operating grants and contributions		135,289	129,213	119,868	164,686	113,388	115,998	106,747	93,361	94,877	92,470
Capital grants and contributions		2,080	1,248	25	30	2,193	1,094	1,099	17,844	6,200	8,411
Total governmental activities program revenues		<u>156,836</u>	<u>151,771</u>	<u>144,880</u>	<u>186,958</u>	<u>134,008</u>	<u>142,182</u>	<u>129,094</u>	<u>130,740</u>	<u>116,433</u>	<u>120,168</u>
Business-type activities:											
Charges for services		12,012	12,394	13,055	13,946	11,616	14,433	10,999	10,770	9,029	7,436
Capital grants and contributions									2,184	3,153	372
Total business-type activities revenues		<u>12,012</u>	<u>12,394</u>	<u>13,055</u>	<u>13,946</u>	<u>11,616</u>	<u>14,433</u>	<u>10,999</u>	<u>12,954</u>	<u>12,182</u>	<u>7,808</u>
Total Primary Government Program Revenues	\$	<u>168,848</u>	<u>164,165</u>	<u>157,935</u>	<u>200,904</u>	<u>145,624</u>	<u>156,615</u>	<u>140,093</u>	<u>143,694</u>	<u>128,615</u>	<u>127,976</u>
Net (Expense) Revenue:											
Governmental activities	\$	(123,905)	\$ (115,649)	\$ (122,236)	\$ (101,827)	\$ (109,879)	\$ (97,293)	\$ (107,040)	\$ (97,565)	\$ (106,860)	\$ (97,235)
Business-type activities		<u>1,580</u>	<u>1,834</u>	<u>4,021</u>	<u>2,898</u>	<u>582</u>	<u>5,124</u>	<u>1,968</u>	<u>5,842</u>	<u>6,388</u>	<u>1,480</u>
Total Primary Government Net Expense	\$	<u>(122,325)</u>	<u>(113,815)</u>	<u>(118,215)</u>	<u>(98,929)</u>	<u>(109,297)</u>	<u>(92,169)</u>	<u>(105,072)</u>	<u>(91,723)</u>	<u>(100,472)</u>	<u>(95,755)</u>

(Continued on next page)

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

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	\$ 108,741	\$ 104,280	\$ 105,220	\$ 96,133	\$ 97,941	\$ 95,192	\$ 98,000	\$ 97,783	\$ 84,956	\$ 78,945
Grants and contributions not restricted to specific purposes	10,557	11,177	10,889	14,897	17,292	14,603	14,776	20,496	21,807	18,587
Unrestricted investment earnings	6,070	4,249	(600)	1,150	6,289	4,437	2,900	2,252	3,229	3,117
Transfer	5,000	263		3,000						
Miscellaneous	967	768	615	696	1,166	202	2,774	966	3,863	1,716
Total governmental activities	<u>131,335</u>	<u>120,737</u>	<u>116,124</u>	<u>115,876</u>	<u>122,688</u>	<u>114,434</u>	<u>118,450</u>	<u>121,497</u>	<u>113,855</u>	<u>102,365</u>
Business-type activities:										
Unrestricted investment earnings	28	50	135		675	579	412	131	110	207
Transfer	(5,000)	(263)				(5)			20	(156)
Total business type activities	<u>(4,972)</u>	<u>(213)</u>	<u>135</u>	<u>-</u>	<u>675</u>	<u>574</u>	<u>412</u>	<u>131</u>	<u>130</u>	<u>51</u>
Total Primary Government	<u>\$ 126,363</u>	<u>\$ 120,524</u>	<u>\$ 116,259</u>	<u>\$ 115,876</u>	<u>\$ 123,363</u>	<u>\$ 115,008</u>	<u>\$ 118,862</u>	<u>\$ 121,628</u>	<u>\$ 113,985</u>	<u>\$ 102,416</u>
Changes in Net Assets:										
Governmental activities	\$ 7,430	\$ 5,088	\$ (6,112)	\$ 14,049	\$ 12,809	\$ 17,141	\$ 11,410	\$ 23,932	\$ 6,995	\$ 5,130
Business-type activities	<u>(3,392)</u>	<u>1,621</u>	<u>4,156</u>	<u>2,898</u>	<u>1,257</u>	<u>5,698</u>	<u>2,380</u>	<u>5,973</u>	<u>6,518</u>	<u>1,531</u>
Total Primary Government	<u>\$ 4,038</u>	<u>\$ 6,709</u>	<u>\$ (1,956)</u>	<u>\$ 16,947</u>	<u>\$ 14,066</u>	<u>\$ 22,839</u>	<u>\$ 13,790</u>	<u>\$ 29,905</u>	<u>\$ 13,513</u>	<u>\$ 6,661</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.

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

	FISCAL YEAR										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	
General Fund:											
Reserved	\$	\$ 1,372	\$ 2,803	\$ 3,661	\$ 1,861	\$ 2,990	\$ 1,035	\$ 1,424	\$ 1,274	\$ 1,417	
Unreserved		7,655	7,212	9,479	8,996	8,980	7,989	6,586	5,742	5,177	
Committed		5									
Assigned		379									
Unassigned		11,663									
Total General Fund	\$	\$ 12,047	\$ 9,027	\$ 10,015	\$ 13,140	\$ 10,857	\$ 11,970	\$ 9,024	\$ 8,010	\$ 7,016	\$ 6,594
All other governmental funds:											
Reserved	\$	\$ 2,489	\$ 15,123	\$ 16,586	\$ 17,964	\$ 9,144	\$ 13,783	\$ 19,250	\$ 13,922	\$ 20,414	
Unreserved, reported in:											
Special revenue funds		6,333	7,335	11,640	14,288	13,532	14,466	13,158	9,433	12,115	
Capital projects funds		(31,257)	(42,841)	(36,667)	(31,895)	(21,132)	(34,221)	(24,828)	(13,392)	(20,638)	
Nonspendable		2,883									
Restricted		5,697									
Committed		2,331									
Unassigned		(14,758)									
Total All Other Governmental Funds	\$	\$ (3,847)	\$ (22,435)	\$ (20,383)	\$ (8,441)	\$ 357	\$ 1,544	\$ (5,972)	\$ 7,580	\$ 9,963	\$ 11,891

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

CITY OF NEW BRITAIN, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Property taxes	\$ 106,904	\$ 103,052	\$ 104,141	\$ 95,447	\$ 96,757	\$ 95,175	\$ 96,828	\$ 97,808	\$ 84,084	\$ 78,331
Intergovernmental	150,216	141,888	134,838	179,853	136,003	134,949	126,563	135,058	125,259	123,946
Licenses, fees and charges for goods and services	19,529	21,010	18,861	20,641	18,155	18,927	17,121	16,730	14,761	14,218
Income on investments	3,504	2,843	263	778	4,180	4,065	1,585	1,315	2,023	1,726
Miscellaneous	1,123	3,135	3,263	8,029	3,343	2,401	2,932	3,605	9,631	6,040
Total revenues	<u>281,276</u>	<u>271,928</u>	<u>261,366</u>	<u>304,748</u>	<u>258,438</u>	<u>255,517</u>	<u>245,029</u>	<u>254,516</u>	<u>235,758</u>	<u>224,261</u>
Expenditures:										
General government	7,012	6,559	5,603	5,128	4,935	7,151	5,641	4,957	4,781	3,746
Public safety	40,696	39,852	34,405	34,448	33,183	36,118	33,526	33,908	31,328	24,817
Public works	21,998	33,515	36,106	18,294	19,324	17,518	17,193	18,932	17,070	15,382
Social services	8,187	8,666	9,262	8,655	6,966	8,325	9,104	10,442	10,799	7,522
Education	168,532	161,745	159,487	198,898	145,231	141,081	147,599	133,807	126,155	117,298
Parks and recreation	10,918	10,852	10,988	10,291	10,397	10,873	11,503	12,060	12,092	10,564
Nondepartmental fixed										9,527
Other	1,194									335
Capital outlay	16,971	581	1,127	23,585	23,549	22,711	9,521	18,049	12,553	17,403
Debt service interest	10,083	10,631	11,510	11,014	10,721	10,623	10,374	11,861	12,379	12,977
Debt service principal	15,024	15,507	14,836	14,360	14,764	14,218	15,477	13,763	13,261	12,522
Total expenditures	<u>300,615</u>	<u>287,908</u>	<u>283,324</u>	<u>324,673</u>	<u>269,070</u>	<u>268,618</u>	<u>259,938</u>	<u>257,779</u>	<u>240,418</u>	<u>232,093</u>
Excess of Revenue Under Expenditures	<u>(19,339)</u>	<u>(15,980)</u>	<u>(21,958)</u>	<u>(19,925)</u>	<u>(10,632)</u>	<u>(13,101)</u>	<u>(14,909)</u>	<u>(3,263)</u>	<u>(4,660)</u>	<u>(7,832)</u>
Other Financing Sources (Uses):										
Transfers in	6,954	29,785	27,185	31,959	31,409	36,507	35,963	31,977	40,015	34,615
Transfers out	(1,954)	(29,522)	(34,216)	(33,412)	(37,604)	(32,397)	(36,288)	(32,327)	(39,790)	(35,129)
Premiums	1,011	963								
Proceeds from the issuance of bonds and notes	36,840	11,715	13,922	14,863	14,527	19,453	2,696	2,318	2,929	
Payment to refund bond escrow agent	(1,904)									
Total other financing sources (uses)	<u>40,947</u>	<u>12,941</u>	<u>6,891</u>	<u>13,410</u>	<u>8,332</u>	<u>23,563</u>	<u>2,371</u>	<u>1,968</u>	<u>3,154</u>	<u>(514)</u>
Net Change in Fund Balances	<u>\$ 21,608</u>	<u>\$ (3,039)</u>	<u>\$ (15,067)</u>	<u>\$ (6,515)</u>	<u>\$ (2,300)</u>	<u>\$ 10,462</u>	<u>\$ (12,538)</u>	<u>\$ (1,295)</u>	<u>\$ (1,506)</u>	<u>\$ (8,346)</u>
Debt Service as a Percentage of Noncapital Expenditures	9.8%	9.5%	10.3%	8.7%	10.4%	10.1%	10.3%	10.7%	11.3%	11.9%

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

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									
2011	\$ 1,878,503,435	\$ 1,594,077,555	\$ 104,608,140	\$ 211,674,863	\$ 251,888,903	\$ 1,127,364,436	\$ 2,913,388,460	\$ 405,687	\$ 2,912,982,773	36.63	\$ 4,161,403,961	70 %
2010	1,877,395,685	1,602,228,125	103,697,510	211,468,835	244,060,703	1,116,731,072	2,922,119,786	2,443,051	2,919,676,735	34.98	4,170,966,764	70
2009	1,871,914,475	1,634,241,985	95,297,940	198,383,811	251,565,967	1,088,448,853	2,962,955,325	19,664,862	2,943,290,463	34.98	4,204,700,661	70
2008	1,237,817,290	1,200,326,320	74,380,910	196,499,783	243,942,048	863,358,264	2,089,608,087	247,481	2,089,360,606	45.39	2,984,800,866	70
2007	1,231,471,230	1,194,001,000	71,934,920	187,854,214	239,636,127	846,737,477	2,078,160,014	1,358,313	2,076,801,701	45.88	2,966,859,573	70
2006	1,224,954,120	1,118,595,390	75,775,410	180,517,478	227,343,072	771,387,100	2,055,798,370	199,658	2,055,598,712	45.89	2,936,569,589	70
2005	1,220,758,860	1,114,808,760	72,800,030	184,991,249	214,854,609	781,664,870	2,026,548,638	976,387	2,025,572,251	46.90	2,893,674,644	70
2004	1,220,012,760	1,095,622,760	75,704,690	201,694,280	230,495,041	751,501,774	2,072,027,757	17,722,644	2,054,305,113	46.93	2,934,721,590	70
2003	860,539,620	834,129,950	53,451,080	177,021,746	226,141,707	633,048,714	1,518,235,389	120,238	1,518,115,151	54.76	2,168,735,930	70
2002	859,756,110	830,540,710	53,444,520	173,055,330	220,605,348	628,911,303	1,508,490,715	629,871	1,507,860,844	50.88	2,154,086,920	70

Source: City of New Britain Office of Tax Assessor

Note:

- (1) The October 1, 2002 and 2007 Grand List were revaluation years
- (2) The 2011 fiscal is the 2009 Grand List, 2010 is 2008 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

TABLE 6

CITY OF NEW BRITAIN, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS

2009 AND 2000

	October 1, 2009			October 1, 2000		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Value
CT Light & Power	\$ 42,052,512	1	1.44 %	\$ 20,151,732	2	0.98 %
Pebblebrook Apartments LLC	21,865,000	2	0.75			
Stanley Works	21,774,351	3	0.75	41,739,448	1	2.03
Inland Southeast New Britain LLC	12,800,780	4	0.44			
Conn Natural Gas Corp	12,607,418	5	0.43			
NB-BTMC LLC	11,200,000	6	0.38	11,459,070	5	0.56
Farmington Hills 06 LLC	10,684,079	7	0.37			
Investment Associates LTP	10,620,890	8	0.36	17,032,367	4	0.83
Webster Bank	10,212,678	9	0.35			
HSC Community Services	9,088,170	10	0.31	9,077,110	10	0.44
CT Natural Gas Corp				17,667,410	3	0.86
Creed Monarch				11,247,542	6	0.55
Brittany Farms Assoc.				10,847,229	7	0.53
Tilcon CT				9,673,736	8	0.47
Newbrite Associates LTD Partnership				9,309,629	10	0.44
Total	\$ <u>162,905,878</u>		<u>5.58 %</u>	\$ <u>158,205,273</u>		<u>7.69 %</u>

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Source: City of New Britain, Office of Tax Assessor

**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
101	2011	36.63	\$ 107,141	\$ 102,722	95.88 %	\$ N/A	\$ 102,722	95.88 %
	2010	34.98	102,274	98,267	96.08	1,927	100,194	97.97
	2009	34.98	103,153	98,983	95.72	2,986	101,969	98.85
	2008	45.40	95,749	91,654	95.72	3,128	94,782	98.99
	2007	45.88	95,916	92,550	96.49	2,590	95,140	99.19
	2006	45.89	94,516	91,538	96.85	2,384	93,922	99.37
	2005	46.90	96,045	92,975	96.80	2,520	95,495	99.43
	2004	46.93	96,709	93,815	97.01	2,295	96,110	99.38
	2003	54.76	84,038	80,822	96.17	2,466	83,288	99.11
	2002	50.88	77,444	74,664	96.41	2,248	76,912	99.31

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

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	Debt Per Capita
	General Obligation Bonds	Capital Leases	Water			
2011	\$ 198,147	\$ -	\$ 34,336	\$ 232,483	4.76 %	\$ 3,312
2010	177,837	-	36,573	215,144	4.28	3,080
2009	181,951	-	38,822	220,773	4.33	3,146
2008	183,802	-	41,076	224,878	6.16	3,106
2007	182,985	-	42,743	225,728	6.17	3,062
2006	183,966	-	44,577	228,543	6.27	3,121
2005	178,827	23	33,811	212,661	6.18	2,896
2004	189,184	46	35,044	224,274	6.45	3,105
2003	199,585	67	11,679	211,331	9.21	2,954
2002	209,200	104	17,563	226,867	9.72	3,171

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, 2011
(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2011					\$ 107,497 *
Reimbursement for revenue loss (year ended June 30, 2011): Freeze program					<u>12</u>
BASE for Debt Limitation Computation					<u>\$ 107,509</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	\$ 241,895	\$	\$	\$	\$
4-1/2 times base		483,791			
3-3/4 times base			403,159		
3-1/4 times base				349,404	
3 times base					322,527
Total debt limitation	<u>241,895</u>	<u>483,791</u>	<u>403,159</u>	<u>349,404</u>	<u>322,527</u>
Indebtedness:					
Bonds payable	166,468	27,682			
Notes payable	32,315	5,920	3,966		
Bonds authorized - unissued	62,354	54,398	12,762		
Total indebtedness	<u>261,137</u>	<u>88,000</u>	<u>16,728</u>	<u>-</u>	<u>-</u>
Less: self-liquidating indebtedness:					
Statutory exclusion- pension obligation bond	82,920				
School construction grants		5,575			
Total self-liquidating indebtedness	<u>82,920</u>	<u>5,575</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness less self-liquidating indebtedness	<u>178,217</u>	<u>82,425</u>	<u>16,728</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 63,678</u>	<u>\$ 401,366</u>	<u>\$ 386,431</u>	<u>\$ 349,404</u>	<u>\$ 322,527</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation - \$752,563

*Budgetary basis

CITY OF NEW BRITAIN, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limitation	\$ 761,802	\$ 722,176	\$ 740,202	\$ 681,645	\$ 688,226	\$ 677,215	\$ 689,717	\$ 697,571	\$ 596,015	\$ 555,940
Total net debt applicable to limit	<u>297,519</u>	<u>289,278</u>	<u>269,466</u>	<u>256,823</u>	<u>193,391</u>	<u>183,749</u>	<u>192,481</u>	<u>217,058</u>	<u>301,558</u>	<u>246,866</u>
Legal debt margin	<u>\$ 464,283</u>	<u>\$ 432,898</u>	<u>\$ 470,736</u>	<u>\$ 424,822</u>	<u>\$ 494,835</u>	<u>\$ 493,466</u>	<u>\$ 497,236</u>	<u>\$ 480,513</u>	<u>\$ 294,457</u>	<u>\$ 309,074</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>39.05%</u>	<u>40.06%</u>	<u>36.40%</u>	<u>37.68%</u>	<u>28.10%</u>	<u>27.13%</u>	<u>27.91%</u>	<u>31.12%</u>	<u>50.60%</u>	<u>44.41%</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 (2)	Per Capita Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2011	70,185	\$ 37,629	\$ 23,557	35.0	10,400	13.20 %
2010	69,860	42,759	23,557	35.0	10,405	12.40
2009	70,181	42,391	20,907	35.0	10,203	11.50
2008	72,395	41,056	20,907	35.0	10,344	8.10
2007	72,395	41,056	20,907	35.0	10,654	7.50
2006	71,840	41,056	23,379	33.9	10,950	7.70
2005	71,840	41,056	23,379	33.9	10,947	7.50
2004	71,538	41,056	23,379	33.9	11,024	7.90
2003	71,538	41,056	23,379	33.9	10,803	7.10
2002	71,538	41,056	23,379	33.9	10,718	6.20

(1) Source: State of Connecticut

(2) Source: State of Connecticut

(3) Source: U.S. Census Bureau

(4) Source: New Britain Board of Education

(5) Source: Connecticut Department of Labor

CITY OF NEW BRITAIN, CONNECTICUT

PRINCIPAL EMPLOYERS

2011 AND 2002

Employer	Nature of Business	2011			2002		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Hospital of Central Connecticut	Hospital	3,100	1	9.95 %			
City of New Britain	Government	1,924	2	6.18	1,912	1	6.02
Central CT State University	University	1,637	3	5.25	1,330	4	4.19
The Hospital for Special Care	Hospital	1,554	4	4.99	1,370	3	4.32
State of CT	Government	1,095	5	3.51	900	7	2.84
Stanley-Black & Decker	Manufacturing	933	6	2.99	1,200	5	3.78
Tilcon CT	Construction	735	7	2.36	1,000	6	3.15
Grove Hill Medical Center	Health Care	484	8	1.55	500	8	1.58
Dattco	Bus Transportation	425	9	1.36			
Webster Bank	Banking	375	10	1.20			
New Britain General Hospital	Hospital				1,700	2	5.36
Moore Medical	Medical Supplies				282	9	0.89
Creed Monarch	Manufacturing				270	10	0.85
Total		<u>12,262</u>		<u>39.34 %</u>	<u>10,464</u>		<u>32.98 %</u>
Total Employment		<u>31,155</u>			<u>31,739</u>		

Source: City of New Britain, Municipal Development Agency

CITY OF NEW BRITAIN, CONNECTICUT

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Administration, financial and other	123	124	132	132	100	108	137	128	65	84
Police	151	165	172	173	173	151	141	164	197	197
Fire	153	154	158	156	145	135	142	130	141	139
Health and welfare	18	18	20	21	20	13	19	14	19	24
107 Parks and recreation	54	53	57	60	60	68	70	53	67	61
Public works, engineering, garage	63	63	74	70	71	77	70	64	76	70
Water	52	52	53	53	56	53	57	48	50	48
Education	<u>1,333</u>	<u>1,364</u>	<u>1,334</u>	<u>1,386</u>	<u>1,353</u>	<u>1,352</u>	<u>1,339</u>	<u>1,335</u>	<u>1,302</u>	<u>1,331</u>
Total	<u><u>1,947</u></u>	<u><u>1,993</u></u>	<u><u>2,000</u></u>	<u><u>2,051</u></u>	<u><u>1,978</u></u>	<u><u>1,957</u></u>	<u><u>1,975</u></u>	<u><u>1,936</u></u>	<u><u>1,917</u></u>	<u><u>1,954</u></u>

CITY OF NEW BRITAIN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government:										
Building permits issued	518	2,296	1,985	2,219	2,366	2,442	1,968	2,178	2,081	2,190
Building inspections conducted	1,101	4,631	4,210	4,373	3,865	4,483	3,672	3,970	4,157	6,959
Police:										
Calls for service	45,494	46,776	51,989	54,432	56,885	59,646	55,284	54,197	56,849	56,849
Physical arrests	6,188	7,021	6,803	6,868	6,161	6,828	6,732	6,878	7,222	7,517
Parking violations	15,049	14,498	18,436	20,621	22,059	26,367	28,126	28,225	28,420	25,250
Traffic violations	4,410	3,315	4,322	4,685	5,422	6,997	5,975	5,116	4,305	4,390
Fire:										
Emergency responses	6,604	6,624	6,871	6,832	6,929	6,320	6,082	2,997	2,976	N/A
Fires extinguished	284	297	291	522	565	279	296	357	303	N/A
Inspections	305	302	288	537	351	312	307	343	361	N/A
Refuse collection:										
Refuse collected (tons per day)	168	177	178	170	186	193	197	199	184	170
Recyclables collected (tons per day)	14	9	10	13	12	11	11	11	12	12
Other public works:										
Street resurfacing (miles)	5	7	12	19	15	9	12	5	4	4
Potholes repaired	N/A	N/A	1,406	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation:										
Athletic field permits issued	3,373	3,300	3,763	2,918	4,958	2,597	2,447	2,859	2,827	3,052
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	213,907	220,384	220,974	223,056	231,214	246,891	243,723	254,773	259,773	260,969
Total volumes borrowed	394,456	415,416	394,883	399,119	373,557	312,662	315,649	373,335	346,906	323,881
Water:										
New connections	5	405	151	196	60	94	86	299	299	420
Water main breaks	21	18	31	25	28	16	24	29	26	24
Average daily consumption (thousands of gallons)	9,140	8,755	9,050	10,103	10,100	10,000	11,161	10,293	9,898	9,876
Peak daily consumption (thousands of gallons)	13,424	16,660	11,800	17,900	14,410	12,745	15,700	13,700	14,500	16,360
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

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

Function/Program	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	3	3	3	3	3	3
Patrol units	32	30	30	30	30	30	30	30	30	30
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	10	10	9	7	17	17	15	15	15	15
Other public works:										
Streets (miles)	163	163	163	163	163	163	163	163	163	163
Highways (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic signals	71	71	71	71	71	70	70	70	70	70
Parks and recreation:										
Acreage	1,200	1,200	1,200	1,200	1,200	12	12	12	12	12
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	9	9	9	9	9	9	9	9	9	9
Water:										
Water mains (miles)	247	269	269	269	269	269	269	269	269	269
Fire hydrants	1,887	1,852	1,992	1,988	1,977	1,991	1,991	1,991	1,991	1,991
Storage capacity (thousands of gallons)	2,857,800	2,857,800	2,742,921	2,857,800	2,858,700	2,742,921	2,742,921	2,742,921	2,742,921	2,742,921
Wastewater:										
Sanitary sewers (miles)	179	179	179	187	180	180	180	180	180	180
Storm sewers (miles)	153	153	153	171	152	152	152	152	152	152