

City of New Britain Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**CITY OF NEW BRITAIN
CONNECTICUT**

FISCAL YEAR ENDED JUNE 30, 2015



Prepared by Finance Department

Rebecca Salerni, Acting Director of Finance

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

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2015**

MAYOR

Erin E. Stewart

TREASURER

Teresa Sapieha-Yanchak

TOWN COUNCIL

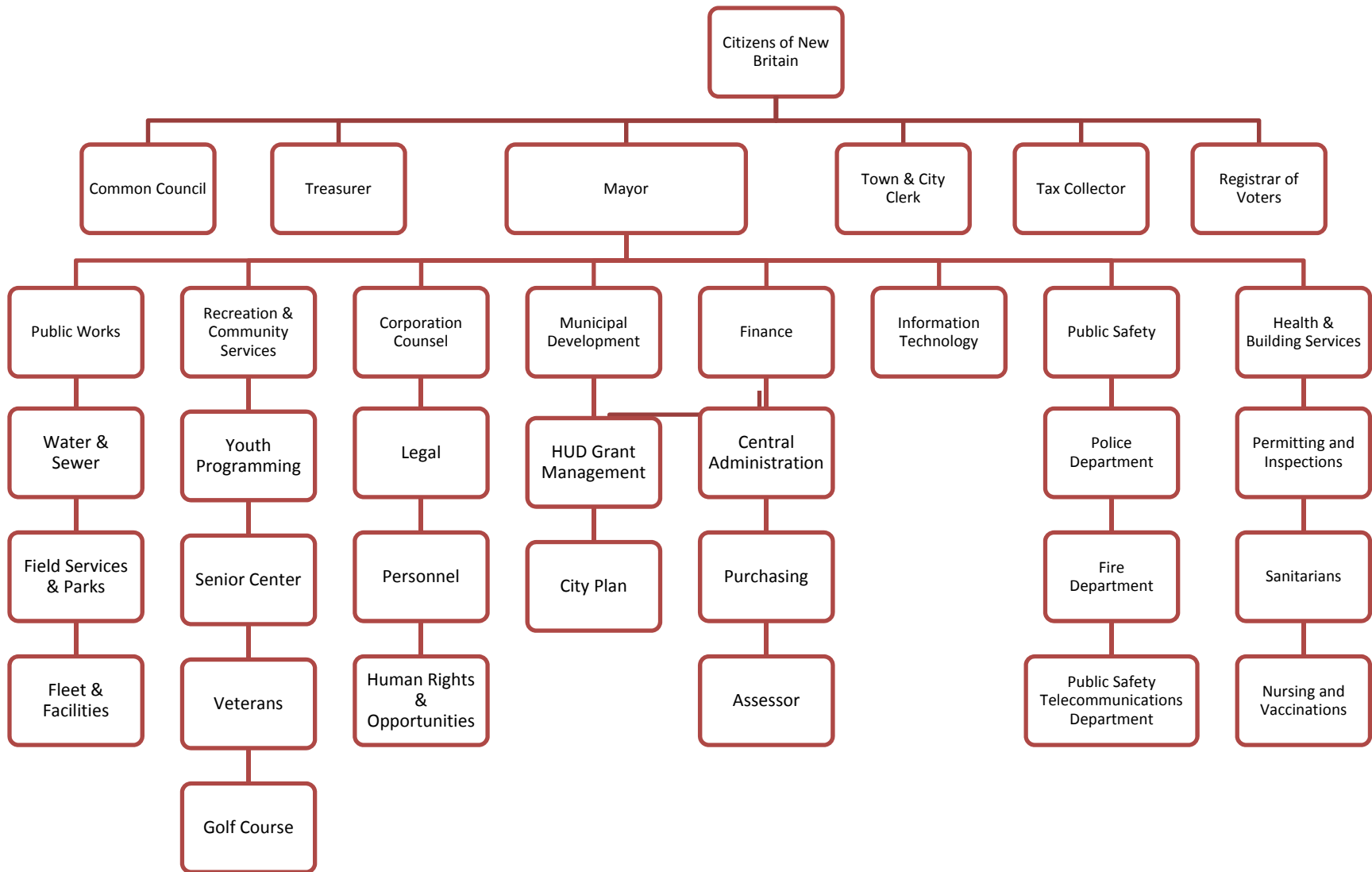
Michael Trueworthy, President ProTem
Suzanne Bielinski, Majority Leader
Eva Magnuszewski, Assistant Majority Leader
Tonilynn Collins, Assistant Majority Leader
Adam Platosz, Assistant Majority Leader
Wilfredo Pabon, Minority Leader
Jamie Giantonio, Assistant Minority Leader
Shirley Black
Carlo Carlozzi, Jr.
David DeFronzo
Don Naples
Daniel Salerno
Louis Salvio
Emmanuel Sanchez
Robert Smedley

ADMINISTRATION

Corporation Counsel	Gennaro Bizzarro
Town Clerk	Mark Bernacki
Tax Collector	Cheryl Blogoslawski
Assessor	Michael Konik
Director of Finance	Christopher J. Wolf
Director of Health	Sergio Lupo
Director of Personnel	Karen Levine
Director of Parks and Recreation	William A. DeMaio
Director of Public Works	Mark Moriarty
Director of Youth Services	Zeena Tawfik
Director of Licenses, Permits and Inspections	Sergio Lupo
Director of Water	Gilbert Bligh
Director of Municipal Development	Kenneth Malinowski

BOARD OF EDUCATION

Sharon Beloin-Saavedra
Carlos Pina
Daniel Davis
Merrill Gay
Judith Greco
Nicholas Mercier
Nicole Rodriguez
Stacey Rosado
Daisy Sanchez
James Sanders
Kelt Cooper, Superintendent of Schools



CITY OF NEW BRITAIN, CONNECTICUT



December 12, 2015

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, 2015.

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

The City of New Britain's financial statements have been audited by Blum Shapiro, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of New Britain for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of New Britain's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

The Reporting Entity and Its Services

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

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

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 will also be home to the New Britain Bees beginning in April 2016 playing in a sports facility built to the standards established by the professional major leagues. It is home to the 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 as well as Go Ape, a zip-line and treetop adventure.

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

Form of Government

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

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

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

Major Initiatives

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

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

In September 2014 the City sold a 15 acre parcel of land located at the Stanley Golf Course to Costco for \$4.1m which will be set up in a trust fund for the maintenance and development of Stanley Park. Costco will be opening a warehouse/retail facility of approximately 150,000 square feet on this site. This facility is expected to generate 220 jobs and generate \$250,000 per year in tax revenue (\$500,000 after 7 years).

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

Financial Information

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

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

Pension Programs

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

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

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

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

Financial Policies

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

Debt Administration

At year end, the City had a number of debt issues outstanding. These included \$207m 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, 2015, the City's net general obligation bonded debt of \$245 million was well below the legal limit of \$794 million.

Risk Management

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

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

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

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

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

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

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

The Corporation Counsel's Office is diligently defending the City's interest in all legal matters. The City has appropriated in the fiscal year 2014 annual budget \$400,000 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

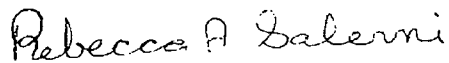
State Statute and the City Charter require an annual audit by an independent certified public accountant. The Statute further prescribes that each municipality's annual report shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP). This report has been prepared in accordance 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 Rebecca Salerni, Amy Goldsberry, Jonathan Perugini and the entire Finance Department staff. Special appreciation is conveyed to the representatives from Blum, Shapiro & Company, P.C. We also appreciate the continuing support of city leadership and the people of New Britain who are committed to fiscal integrity and financial leadership.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rebecca A Salerni".

Rebecca A. Salerni
Acting Finance Director



Government Finance Officers Association

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

Presented to

**City of New Britain
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Financial Section

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Britain, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of New Britain, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Britain, Connecticut, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, during the fiscal year ended June 30, 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The net position of the City has been restated to recognize the net pension liability required in implementing both GASB No. 68 and GASB No. 71. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on pages 64 through 67, and the pension schedules on pages 68 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of New Britain, Connecticut, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 23, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2015 on our consideration of the City of New Britain, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the City of New Britain, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 12, 2015

**CITY OF NEW BRITAIN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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, 2015. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

Financial Highlights

- The City's net position decreased as a result of this year's operations. While net position of the business-type activities increased by \$1.8m, net position of the governmental activities decreased by \$13.9 million.
- In its governmental activities, the City had revenues of \$300 million and expenses of \$319 million.
- In the City's business-type activities, revenues were \$11.7 million while expenses were \$8.9 million, thus increasing the net position before transfers of the business-type funds by \$2.8 million. The net position after transfers of the business-type funds increased by \$1.8m.
- The General Fund reported a fund balance of \$14.9 million.
- The tax collection rate for the current levy was 96.23%.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Government-Wide Financial Analysis

The City's combined net position is lower than they were one year ago, decreasing from \$109 million to \$97 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 105,716	\$ 119,086	\$ 8,398	\$ 6,846	\$ 114,114	\$ 125,932
Capital assets:						
Capital assets not being depreciated	60,721	35,890	1,977	1,977	62,698	37,867
Capital assets being depreciated, net	274,617	281,610	54,564	56,022	329,181	337,632
Total assets	<u>441,054</u>	<u>436,586</u>	<u>64,939</u>	<u>64,845</u>	<u>505,993</u>	<u>501,431</u>
Deferred Outflows of Resources	<u>18,353</u>	<u>20,251</u>	<u>931</u>	<u>978</u>	<u>19,284</u>	<u>21,229</u>
Long-term debt outstanding	332,403	301,310	16,305	18,142	348,708	319,452
Other liabilities	69,365	79,415	277	208	69,642	79,623
Total liabilities	<u>401,768</u>	<u>380,725</u>	<u>16,582</u>	<u>18,350</u>	<u>418,350</u>	<u>399,075</u>
Deferred Inflows of Resources	<u>9,809</u>	<u>14,413</u>	<u>-</u>		<u>9,809</u>	<u>14,413</u>
Net Position:						
Invested in capital assets, net of debt	138,868	125,383	41,387	41,058	180,255	166,441
Restricted	3,311	2,855			3,311	2,855
Unrestricted (deficit)	<u>(94,349)</u>	<u>(66,539)</u>	<u>7,901</u>	<u>6,415</u>	<u>(86,448)</u>	<u>(60,124)</u>
Total Net Position	<u>\$ 47,830</u>	<u>\$ 61,699</u>	<u>\$ 49,288</u>	<u>\$ 47,473</u>	<u>\$ 97,118</u>	<u>\$ 109,172</u>

Net position of the City's governmental activities decreased in FY15 by 11% (\$109 million compared to \$97 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - totaled \$(86) million at June 30, 2015.

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

- The new GASB 68 reporting requirement effective for FY15 which requires that the net pension liability be reported on the financial statements versus an annual net pension obligation. Due to the requirement to report this liability, the City's net position has decreased by \$13M.
- Debt service obligations over the next 20 years have increased by \$31m due to several refunding transactions as well as a new general obligation bond issue in FY 2015.

The net position of business-type activities increased by 3.8% (\$49.2 million compared to \$47.4 million) in 2015.

This increase in the net position of business-type activities resulted primarily due to the following factors:

- A 23.8% increase in the amount of water receivables outstanding (\$4.1m as compared to \$3.3m)
- An 22.5% increase in the amount of cash and cash equivalents (\$4m as compared to \$3.3m)

**TABLE 2
SUMMARY STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 22,197	\$ 23,159	\$ 11,734	\$ 10,498	\$ 33,931	\$ 33,657
Operating grants and contributions	139,486	139,955			139,486	139,955
Capital grants and contributions	7,737	5,619			7,737	5,619
General revenues:						
Property taxes	121,333	108,112			121,333	108,112
Grants and contributions not restricted to specific programs	10,974	11,105			10,974	11,105
Unrestricted investment earnings	1,016	3,562	3	9	1,019	3,571
Other general revenues	1,947	1,341			1,947	1,341
Total revenues	<u>304,690</u>	<u>292,853</u>	<u>11,737</u>	<u>10,507</u>	<u>316,427</u>	<u>303,360</u>
Program expenses:						
General government	3,687	15,087			3,687	15,087
Public safety	56,019	50,893			56,019	50,893
Public works	28,358	31,236			28,358	31,236
Health and welfare	6,605	6,633			6,605	6,633
Parks, recreation and libraries	15,804	13,304			15,804	13,304
Education	182,914	185,208			182,914	185,208
Interest on long-term debt	26,172	11,386			26,172	11,386
Water			8,922	5,176	8,922	5,176
Total program expenses	<u>319,559</u>	<u>313,747</u>	<u>8,922</u>	<u>5,176</u>	<u>328,481</u>	<u>318,923</u>
Increase in net assets before transfers	(14,869)	(20,894)	2,815	5,331	(12,054)	(15,563)
Transfers	1,000	6,663	(1,000)	(6,663)	-	-
Increase (decrease) in net position	(13,869)	(14,231)	1,815	(1,332)	(12,054)	(15,563)
Net position at beginning of year	61,699	117,032	47,473	48,805	109,172	165,837
Restatement*		(41,102)			-	(41,102)
Net Position at End of Year	<u>\$ 47,830</u>	<u>\$ 61,699</u>	<u>\$ 49,288</u>	<u>\$ 47,473</u>	<u>\$ 97,118</u>	<u>\$ 109,172</u>

* Prior year balances in Tables 1 and 2 were restated to reflect the implementation of GASB No. 68 as stated in Note 14.

The City's combined revenues were \$316.4 million. The total cost of all programs and services was \$328.4 million.

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

Governmental Activities

Revenues for governmental activities totaled \$304.6 million; property taxes (39.8%), operating grants (45.7%) and charges for services (7.2%) are the major revenue sources – contributing approximately 92.8% of the City’s revenues.

Expenses for governmental activities were \$319.5 million, of which 57.6% were supported by program revenues and 42.4% were supported from general revenues. Expenses by function include education (57.2%), public safety (17.5%), public works (8.8%), and parks, recreation and libraries (4.9%), which made up 88.4% of the total governmental expenses.

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

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Education	\$ 182,914	\$ 185,208	\$ 48,048	\$ 52,488
Public safety	56,019	50,893	51,458	42,938
Public works	28,358	31,236	11,009	11,163
General government	3,687	15,087	(2,033)	13,395
All others	48,581	31,323	41,657	25,030
Totals	<u>\$ 319,559</u>	<u>\$ 313,747</u>	<u>\$ 150,139</u>	<u>\$ 145,014</u>

Business-Type Activities

Revenues and expenses of the City’s business-type activities amounted to \$11.7 million and \$8.9million, respectively. Net position increased by \$1.8 million.

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$(8.5) million, which is an increase from last year’s total of \$(16.9) million. The increase in the fund balance can be attributed to the operating surplus for FY 2015.

Proprietary Funds

The City’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water Enterprise Fund amounted to \$7.9 million and those for the internal service funds amounted to \$13m. The increase in unrestricted net position for the Water Enterprise Fund of \$1.8m was mainly a result of an increase in receivables. The increase in unrestricted net position for the internal service funds was due to a reduction claim reserves.

General Fund Budgetary Highlights

- The General Fund received \$742 thousand in cash from sale of delinquent tax liens.
- The General Fund received \$3.6m in bond/BAN premium
- The General Fund Sanitation expense was reduced by \$500 thousand due to a reduction in disposal and tip fees.
- Debt service expenditures were reduced by \$3.5m due to a debt restructuring

Capital Asset and Debt Administration

Capital Assets

At June 30, 2015, the City had \$393 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 \$18 million, or 4.7% above last year.

**TABLE 4
CAPITAL ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 13,417	\$ 13,417	\$ 1,977	\$ 1,977	\$ 15,394	\$ 15,394
Construction in progress	47,304	22,473			47,304	22,473
Buildings and improvements	202,324	208,692			202,324	208,692
Equipment	2,983	3,353			2,983	3,353
Vehicles	3,425	4,233			3,425	4,233
Infrastructure	65,885	65,332			65,885	65,332
Water filtration assets			54,564	56,022	56,022	56,022
Totals	\$ 335,338	\$ 317,500	\$ 56,541	\$ 57,999	\$ 393,337	\$ 375,499

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, 2015, the City had \$246,925 in bonds and notes outstanding versus \$208,775 last year - an increase of 18% - as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds (backed by the City)	\$ <u>244,909</u>	\$ <u>206,759</u>	\$ <u>2,016</u>	\$ <u>2,016</u>	\$ <u>246,925</u>	\$ <u>208,775</u>

The City’s general obligation bond rating from Standard & Poor’s and Moody’s, both national rating agencies, is A and Baa1 respectively. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The City’s outstanding general obligation debt is significantly below this \$839 million state-imposed limit.

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

Economic Factors and Next Year’s Budgets and Rates

The City’s elected and appointed officials considered many factors when setting the fiscal year 2015 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 11.3% versus 11.8% a year ago. This compares with the State’s unemployment rate of 8.0% and the national rate of 7.6%.

These indicators were taken into account when adopting the General Fund budget for 2015-16. Amounts available for appropriation in the General Fund were \$15 million, an increase of 66% over the final 2014 amount of \$5 million.

Contacting the City’s Financial Management

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

Basic Financial Statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 55,942	\$ 4,043	\$ 59,985
Investments	16,710	12	16,722
Receivables, net	32,317	4,181	36,498
Due from Fiduciary Fund	544		544
Inventory	203	162	365
Capital assets:			
Capital assets not being depreciated	60,721	1,977	62,698
Capital assets being depreciated, net	274,617	54,564	329,181
Total assets	441,054	64,939	505,993
Deferred Outflows of Resources:			
Deferred charge on refunding	1,034	931	1,965
Changes related to pension actuarial experience	5,412		5,412
Changes related to projected investment earnings	5,918		5,918
Contributions made subsequent to the measurement date	5,989		5,989
Total deferred outflows of resources	18,353	931	19,284
Liabilities:			
Accounts and other payables	31,640	277	31,917
Bond anticipation notes	34,000		34,000
Unearned revenue	3,725		3,725
Noncurrent liabilities:			
Due within one year	18,135	1,922	20,057
Due in more than one year	314,268	14,383	328,651
Total liabilities	401,768	16,582	418,350
Deferred Inflows of Resources:			
Changes related to projected investment earnings	9,809		9,809
Net Position:			
Invested in capital assets, net of related debt	138,868	41,387	180,255
Restricted for:			
Trust purposes:			
Expendable	3,311		3,311
Unrestricted	(94,349)	7,901	(86,448)
Total Net Position	\$ 47,830	\$ 49,288	\$ 97,118

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, 2015
(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	\$ 3,687	\$ 1,594	\$ 26	\$ 4,100	\$ 2,033	\$	\$ 2,033
Public safety	56,019	3,185	1,042	334	(51,458)		(51,458)
Public works	28,358	12,943	1,103	3,303	(11,009)		(11,009)
Health and welfare	6,605	712	3,001		(2,892)		(2,892)
Parks, recreation and libraries	15,804	2,820	360		(12,624)		(12,624)
Education	182,914	943	133,923		(48,048)		(48,048)
Interest on long-term debt	26,172		31		(26,141)		(26,141)
Total governmental activities	319,559	22,197	139,486	7,737	(150,139)	-	(150,139)
Business-type activities:							
Water	8,922	11,734				2,812	2,812
Total	\$ <u>328,481</u>	\$ <u>33,931</u>	\$ <u>139,486</u>	\$ <u>7,737</u>	(150,139)	2,812	(147,327)
General revenues:							
Property taxes					121,333		121,333
Grants and contributions not restricted to specific programs					10,974		10,974
Unrestricted investment income					1,016	3	1,019
Miscellaneous					1,947		1,947
Total general revenues					<u>135,270</u>	<u>3</u>	<u>135,273</u>
Transfers					<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Change in net position					(13,869)	1,815	(12,054)
Net Position at Beginning of Year, as Restated					<u>61,699</u>	<u>47,473</u>	<u>109,172</u>
Net Position at End of Year					\$ <u>47,830</u>	\$ <u>49,288</u>	\$ <u>97,118</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015
(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	\$ 29,557	\$ 5,139	\$ 7,207	\$ 8,087	\$ 49,990
Accounts receivables, net	20,157		348	11,554	32,059
Due from other funds	544				544
Inventories				203	203
Total Assets	<u>\$ 50,258</u>	<u>\$ 5,139</u>	<u>\$ 7,555</u>	<u>\$ 19,844</u>	<u>\$ 82,796</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 16,724	\$ 4,935	\$ 4,278	\$ 2,150	\$ 28,087
Unearned revenue	867	1,334	1,516	9	3,726
Bond anticipation notes payable		34,000			34,000
Total liabilities	<u>17,591</u>	<u>40,269</u>	<u>5,794</u>	<u>2,159</u>	<u>65,813</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	17,724				17,724
Unavailable revenue - sewer use fees				3,330	3,330
Unavailable revenue - loans receivable				4,511	4,511
Total deferred inflows of resources	<u>17,724</u>	<u>-</u>	<u>-</u>	<u>7,841</u>	<u>25,565</u>
Fund balances:					
Nonspendable				3,212	3,212
Restricted		7,514	1,761	5,694	14,969
Committed				2,827	2,827
Assigned	3,666				3,666
Unassigned	11,277	(42,644)		(1,889)	(33,256)
Total fund balances	<u>14,943</u>	<u>(35,130)</u>	<u>1,761</u>	<u>9,844</u>	<u>(8,582)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 50,258</u>	<u>\$ 5,139</u>	<u>\$ 7,555</u>	<u>\$ 19,844</u>	<u>\$ 82,796</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2015
(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)	\$	(8,582)
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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	\$	584,581	
Less accumulated depreciation		<u>(249,243)</u>	
Net capital assets			335,338

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

Property tax receivables greater than 60 days	8,401
Interest receivable on property taxes	9,323
Housing loans receivable	4,511
Sewer receivable	3,330
Deferred outflows related to actuarial experience	5,412
Deferred outflows related to investment returns	5,918
Deferred outflows related to contributions made subsequent to the measurement date	5,989

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.

13,084

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	(244,909)
Clean water notes payable	(3,425)
Interest payable on bonds and notes	(2,379)
Compensated absences	(7,510)
Net pension liability	(59,729)
Net OPEB obligation	(1,437)
Deferred charges on refunding	1,034
Unamortized bond premium	(6,730)
Deferred inflows related to investment earnings	<u>(9,809)</u>

Net Assets of Governmental Activities (Exhibit I)	\$	<u><u>47,830</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, 2015
(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	\$ 119,390	\$	\$	\$	\$ 119,390
Intergovernmental	103,914	2,541	36,087	11,960	154,502
Licenses, fees and charges for goods and services	8,627			11,685	20,312
Investment earnings	140			52	192
Miscellaneous	875	4,566		352	5,793
Total revenues	<u>232,946</u>	<u>7,107</u>	<u>36,087</u>	<u>24,049</u>	<u>300,189</u>
Expenditures:					
Current:					
General government	5,784			8	5,792
Public safety	31,992			1,486	33,478
Public works	10,826			7,761	18,587
Health and welfare	1,840			3,869	5,709
Education	138,100		35,031	6,949	180,080
Parks and recreation	7,142			2,993	10,135
Capital outlay		39,041			39,041
Debt and sundry	32,949	516			33,465
Total expenditures	<u>228,633</u>	<u>39,557</u>	<u>35,031</u>	<u>23,066</u>	<u>326,287</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,313</u>	<u>(32,450)</u>	<u>1,056</u>	<u>983</u>	<u>(26,098)</u>
Other Financing Sources (Uses):					
Transfers in	2,026			27	2,053
Transfers out	(27)			(1,026)	(1,053)
Issuance of general obligation bonds		29,000			29,000
Premium on general obligation bonds	2,974	1,128			4,102
Premium on bond anticipation notes	692				692
Issuance of refunding bonds		65,600			65,600
Swap termination payment		(15,300)			(15,300)
Payment to refund bond escrow agent		(50,581)			(50,581)
Total other financing sources (uses)	<u>5,665</u>	<u>29,847</u>	<u>-</u>	<u>(999)</u>	<u>34,513</u>
Net Change in Fund Balances	9,978	(2,603)	1,056	(16)	8,415
Fund Balances at Beginning of Year	<u>4,965</u>	<u>(32,527)</u>	<u>705</u>	<u>9,860</u>	<u>(16,997)</u>
Fund Balances at End of Year	<u>\$ 14,943</u>	<u>\$ (35,130)</u>	<u>1,761</u>	<u>\$ 9,844</u>	<u>\$ (8,582)</u>

(Continued on next page)

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
(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) \$ 8,415

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 29,077
 Depreciation expense (10,508)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (731)

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 (187)
 Property tax receivable - accrual basis change 1,468
 Property tax interest and lien revenue - accrual basis change 476
 Housing loans receivable (215)
 Sewer receivables 1,156
 Change in deferred inflows related to investment returns (9,809)

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 (29,000)
 Proceeds from bond refunding (65,600)
 Payment to bond escrow 50,581
 Bond principal payments 6,325
 Payments on clean water fund notes 349
 Premium on general obligation bonds (4,102)

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 196
 Accrued interest (43)
 Amortization of deferred charge on refunding (147)
 Amortization of bond premium 415
 Net OPEB expense (443)
 Net pension expense (13,128)
 Change in deferred outflow related to investment returns 5,918
 Change in deferred outflow related to actuarial experience 5,412
 Change in deferred outflows related to contributions made subsequent to the measurement date 876

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.

9,380

Change in Net Assets of Governmental Activities (Exhibit II) \$ (13,869)

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2015
(In Thousands)

	<u>Business-Type Activities</u> <u>Water</u> <u>Enterprise Fund</u>	<u>Governmental Activities</u> <u>Internal</u> <u>Service Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 4,043	\$ 5,955
Investments	12	16,710
Receivables:		
Other, net of allowance for uncollectible	4,181	283
Inventory	162	
Total current assets	<u>8,398</u>	<u>22,948</u>
Noncurrent assets:		
Capital assets, net	56,541	
Total assets	<u>64,939</u>	<u>22,948</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	<u>931</u>	
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	277	1,201
Compensated absences	88	
Current portion of bonds and notes payable	1,834	
Total current liabilities	<u>2,199</u>	<u>1,201</u>
Noncurrent liabilities:		
Bonds and notes payable	14,251	
Compensated absences	132	
Claim reserves		8,663
Total noncurrent liabilities	<u>14,383</u>	<u>8,663</u>
Total liabilities	<u>16,582</u>	<u>9,864</u>
Net Position:		
Invested in capital assets, net of related debt	41,387	
Unrestricted	7,901	13,084
Total Net Position	<u>\$ 49,288</u>	<u>\$ 13,084</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
(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	\$ 11,734	\$
Charges to other funds		38,884
Other		2,780
Total operating revenues	<u>11,734</u>	<u>41,664</u>
Operating Expenses:		
Cost of sales, services and administration	6,658	
Administration and general expense		748
Depreciation expense	1,641	
Claims incurred		31,438
Total operating expenses	<u>8,299</u>	<u>32,186</u>
Operating Income	<u>3,435</u>	<u>9,478</u>
Nonoperating Revenues (Expenses):		
Income on investments	3	818
Decrease in actuarial claims reserve		(916)
Interest expense	(623)	
Net nonoperating revenues (expenses)	<u>(620)</u>	<u>(98)</u>
Change in Net Position Before Transfers	2,815	9,380
Transfers:		
Transfers out	<u>1,000</u>	
Change in Net Position	1,815	9,380
Total Net Position at Beginning of Year	<u>47,473</u>	<u>3,704</u>
Total Net Position at End of Year	<u>\$ 49,288</u>	<u>\$ 13,084</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, 2015
(In Thousands)

	Business-Type Activities	Governmental Activities
	Water	Internal
	Enterprise Fund	Service Fund
Cash Flows from Operating Activities:		
Cash received from charges to other funds	\$	\$ 38,880
Cash received from customers	10,977	
Cash received from other operating activities		2,534
Cash paid for premiums and other operating expenses	(6,596)	(748)
Cash payments for claims made		(39,321)
Net cash provided by operating activities	<u>4,381</u>	<u>1,345</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to other funds	<u>(1,000)</u>	
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	(183)	
Payment of loan obligation	(1,834)	
Interest paid on capital debt	(623)	
Net cash used in capital financing activities	<u>(2,640)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	3	818
Actuarial claim reserve		(916)
Purchase of investments		(749)
Sale of investments		
Net cash provided by (used in) investing activities	<u>3</u>	<u>(847)</u>
Net Increase in Cash and Cash Equivalents	744	498
Cash and Cash Equivalents at Beginning of Year	<u>3,299</u>	<u>5,457</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,043</u>	<u>\$ 5,955</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 3,435	\$ 9,478
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,641	
Change in assets and liabilities:		
(Increase) decrease in due to other funds		(630)
(Increase) decrease in accounts receivable	(804)	(250)
(Increase) decrease in other deferred asset	47	
(Increase) decrease in inventory	(4)	
Increase (decrease) in accounts payable and accrued expenses	66	(7,883)
Increase (decrease) in due to other funds		630
Total adjustments	<u>946</u>	<u>(8,133)</u>
Net Cash Provided by Operating Activities	<u>\$ 4,381</u>	<u>\$ 1,345</u>
Noncash Investment Activities:		
Net increase in fair value of investments	<u>\$ -</u>	<u>\$ 935</u>

The accompanying notes are an integral part of the financial statements

CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2015
(In Thousands)

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 2,198	\$ 730
Investments, at fair value:		
Mutual funds	97,684	
U.S. securities	18,436	
Pooled funds	18,403	
Corporate bonds	8,652	
Other fixed income funds	1,752	
Mortgage-backed securities	7,795	
	<u>154,920</u>	<u>\$ 730</u>
Total Assets		
Liabilities:		
Accounts payable	918	\$
Due to other funds	544	
Due to beneficiaries		730
	<u>1,462</u>	<u>\$ 730</u>
Total Liabilities		
Net Position:		
Held in Trust for Pension and Other Post Retirement Benefits	\$ <u>153,458</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF NEW BRITAIN, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)**

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 2,090
Employee	452
Total contributions	<u>2,542</u>
Investment income:	
Net appreciation in fair value of investments	1,601
Interest and dividends	2,431
Miscellaneous	14
Total investment income	<u>4,046</u>
Less investment expense	<u>(293)</u>
Net investment income	<u>3,753</u>
Total additions	<u>6,295</u>
Deductions:	
Benefits	13,630
Administration	76
Total deductions	<u>13,706</u>
Net Decrease	(7,411)
Net Position at Beginning of Year	<u>160,869</u>
Net Position at End of Year	<u>\$ 153,458</u>

The accompanying notes are an integral part of the financial statements

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(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 one joint venture as described below.

Bristol Resource Recovery Facility Operating Committee

The City is a participant with fourteen other cities and towns in a joint venture, the Bristol Resource Recovery Facility (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of the Contracting Municipalities in dealing with the trash-to-energy plant built by Ogden Martin Systems of Bristol, Inc., now known as Covanta Bristol, Inc. (Covanta). The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. Effective July 1, 2014 Tunxis Recycling Operating Committee (TROC), a sister company of BRRFOC, merged with BRRFOC. On August 18, 2014 the Board voted

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

to release and transfer all remaining funds to BRRFOC, which will continue its activities under an amended agreement. On December 4, 2014 the Board approved a settlement agreement to be paid to the member communities. The settlement payment made to the City of New Britain during the fiscal year was \$933.

Fund balance of the General Fund for fiscal year ended June 30, 2015 as reflected in BRRFOC's financial statements is \$7.3 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

Jointly Governed Organizations

The Mattabassett District

The Mattabassett District is a quasi-municipal district established in accordance with State statutes to provide sewer treatment services for the Towns of Berlin, Cromwell 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 position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

The Pension 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 City and Board of Education for other post employment benefits payments to qualified retired employees.

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

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

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

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

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

E. Receivables and Payables

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

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

H. Deferred Outflows/Inflows of Resources

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

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

I. Compensated Absences

Under the terms of its various union contracts, City and Board of Education employees are permitted to accumulate earned but unused sick pay benefits and, with approval, vacation benefits. The accumulated liability for sick time and vacation, as reported in the governmental funds, at the end of fiscal year was valued at \$7,510. The City and Board of Education compensated absences is generally liquidated by the General Fund.

J. Net Pension Liability

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

K. Net OPEB Obligations

The net OPEB obligation represents the cumulative difference between the OPEB cost and the City's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets and/or noncurrent liabilities, accordingly, in the government-wide financial statements.

L. Long-Term Obligations

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

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

M. Fund Equity

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Position

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

Unrestricted Net Position

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

An additional \$4,808 was appropriated from other revenue sources 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.

**CITY OF NEW BRITAIN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

(amounts expressed in thousands)

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

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported and 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 position at June 30, 2015:

Nonmajor:		
Special Revenue Funds:		
Stanley Quarter Park	\$	952
Cemetery		76
Police & Youth Grants		2
New Britain Marketing Collaborative		7
Exercise the Right Choice		3
Exercise the Right Choice II		8
Immunization Action Plan		2
Bullet Proof Vest Grant		19
System of Care Grant		28
Public Safety		110
Centralized and Distribution Services		236
Federal Omnibus Appropriation		7
CT Health Foundation		1
Highway Safety		259
Assistance to CCSU Police Department		56
ARRA Paving Program		141
Public Works Grant		200
Fireworks fund		14
YSB Program Activity		6
Business Outreach Center		52
Emergency Shelter Grant		31
Redevelopment Commission		6
Brownfield Park		5
EFSP Program		13
Neighborhood Stabilization Program		53
Cops Hiring Grant		52
Busway Bike Trails		10
Capital Projects Fund		35,130
Internal Service Funds:		
Health Insurance Fund		1,653

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.

**CITY OF NEW BRITAIN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

(amounts expressed in thousands)

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>
Finance	\$ 2,495	\$ 2,625	\$ (130)
Waste Disposal	3,215	3,702	(487)
Pension and Benefit Contributions	16,135	17,633	(1,498)
Education	124,361	124,620	(259)
Other financing sources: Other funds	120	127	(7)

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

Deposit Custodial Credit Risk

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$62,089 of the City's bank balance of \$64,452 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 55,722
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>6,367</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 62,089</u>

The City had no cash equivalents at June 30, 2015.

Investments

As of June 30, 2015, 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:					
Certificate of deposit	N/A	\$ 10	\$ 10	\$	\$
U.S. Treasury notes and bonds	N/A	8,525		6,286	2,239
U.S. Government agency bonds	N/A	9,911		4,408	5,503
Corporate bonds	A3	266		266	
Corporate bonds	Aa3	762		693	69
Corporate bonds	Aaa	238		238	
Corporate bonds	Ba1	408		408	
Corporate bonds	Ba2	628		436	192
Corporate bonds	Ba3	400		400	
Corporate bonds	Baa1	685			685
Corporate bonds	Baa2	1,273		836	437
Corporate bonds	Baa3	474		474	
Corporate bonds	B1	186		186	
Corporate bonds	B2	207		207	
Corporate bonds	B3	211		211	
Corporate bonds	**	2,914		2,012	902
Other fixed income	**	9,760	<u>212</u>	<u>3,465</u>	<u>6,083</u>
Total		36,858	<u>\$ 222</u>	<u>\$ 20,526</u>	<u>\$ 16,110</u>
Other investments:					
Mutual funds		114,183			
Pooled funds		<u>18,403</u>			
Total Investments		<u>\$ 169,444</u>			

N/A Not applicable

** Not available

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

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, 2015, the City had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

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	\$ 10,358	\$	\$	\$	\$ 10,358
Taxes	13,297				13,297
Water				4,622	4,622
Accounts	1,432		6,263		7,695
Intergovernmental		348	1,056		1,404
Housing loans			4,518		4,518
Gross receivables	<u>25,087</u>	<u>348</u>	<u>11,837</u>	<u>4,622</u>	<u>41,894</u>
Less allowance for uncollectibles	<u>(4,930)</u>			<u>(441)</u>	<u>(5,371)</u>
Net Total Receivables	<u>\$ 20,157</u>	<u>\$ 348</u>	<u>\$ 11,837</u>	<u>\$ 4,181</u>	<u>\$ 36,523</u>

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

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

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

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,417	\$	\$	\$ 13,417
Construction in progress	<u>22,473</u>	<u>24,831</u>		<u>47,304</u>
Total capital assets not being depreciated	<u>35,890</u>	<u>24,831</u>	<u>-</u>	<u>60,721</u>
Capital assets being depreciated:				
Land improvements	32,486			32,486
Buildings	314,937	797		315,734
Machinery and equipment	15,605	252	135	15,722
Vehicles	20,098	1,194	789	20,503
Infrastructure	<u>137,412</u>	<u>2,003</u>		<u>139,415</u>
Total capital assets being depreciated	<u>520,538</u>	<u>4,246</u>	<u>924</u>	<u>523,860</u>
Less accumulated depreciation for:				
Land improvements	14,081	1,252		15,333
Buildings	124,650	5,913		130,563
Machinery and equipment	12,252	622	135	12,739
Vehicles	15,865	1,271	58	17,078
Infrastructure	<u>72,080</u>	<u>1,450</u>		<u>73,530</u>
Total accumulated depreciation	<u>238,928</u>	<u>10,508</u>	<u>193</u>	<u>249,243</u>
Total capital assets being depreciated, net	<u>281,610</u>	<u>(6,262)</u>	<u>731</u>	<u>274,617</u>
Governmental Activities Capital Assets, Net	<u>\$ 317,500</u>	<u>\$ 18,569</u>	<u>\$ 731</u>	<u>\$ 335,338</u>

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,977	\$ -	\$ -	\$ 1,977
Total capital assets not being depreciated	<u>1,977</u>	<u>-</u>	<u>-</u>	<u>1,977</u>
Capital assets being depreciated:				
Source of supply	5,960			5,960
Pumping plant	2,826			2,826
Water treatment plant	2,825			2,825
Filter plant	57,307			57,307
Machinery and equipment	2,186	72		2,258
Transmission and distribution	11,264	111	33	11,342
General plant and administrative equipment	311			311
Total capital assets being depreciated	<u>82,679</u>	<u>183</u>	<u>33</u>	<u>82,829</u>
Less accumulated depreciation for:				
Source of supply	2,757	64		2,821
Pumping plant	1,804	45		1,849
Water treatment plant	492	98		590
Filter plant	11,198	1,147		12,345
Machinery and equipment	1,789	111		1,900
Transmission and distribution	8,440	170	33	8,577
General plant and administrative	177	6		183
Total accumulated depreciation	<u>26,657</u>	<u>1,641</u>	<u>33</u>	<u>28,265</u>
Total capital assets being depreciated, net	<u>56,022</u>	<u>(1,458)</u>	<u>-</u>	<u>54,564</u>
Business-Type Activities Capital Assets, Net	<u>\$ 57,999</u>	<u>\$ (1,458)</u>	<u>\$ -</u>	<u>\$ 56,541</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 36
Public safety	1,022
Public works	4,407
Health and social services	13
Parks and recreation	881
Education	<u>4,149</u>
Total depreciation expense - governmental activities	<u>\$ 10,508</u>
Business-type activities:	
Enterprise Fund - water depreciation expense	<u>\$ 1,641</u>

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

Construction Commitments

The City has active construction projects as of June 30, 2015. The following is a summary of capital projects as of June 30, 2015:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Remaining Commitment</u>
Public buildings	\$ 39,460	\$ 38,238	\$ 1,222
Schools	67,104	59,419	7,685
Infrastructure	83,981	59,157	24,824
Parks and recreation	17,739	12,801	4,938
Other	111,794	60,359	51,435

6. INTERFUND TRANSFERS

All interfund receivables and payables are the result of regularly recurring transactions and represent temporary balances. As of June 30, 2015, the Pension Trust Funds have a payable to the General Fund for \$544.

Interfund transfers:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 27	\$ 27
Nonmajor Governmental Funds	1,026		1,026
Water Fund	1,000		1,000
Total Transfers In	\$ <u>2,026</u>	\$ <u>27</u>	\$ <u>2,053</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, 2015:

<u>Description</u>	<u>Fund</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2014 Bond Anticipation Notes	Capital Projects Fund	2.00%	10/30/2014	\$ 55,305	\$	\$ 55,305	\$ -
2014 Bond Anticipation Notes	Capital Projects Fund	2.00%	3/26/2015		55,305	55,305	-
2015 Bond Anticipation Notes	Capital Projects Fund	2.50%	3/25/2016		34,000		34,000
				\$ <u>55,305</u>	\$ <u>89,305</u>	\$ <u>110,610</u>	\$ <u>34,000</u>

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

8. LONG-TERM DEBT

A schedule of bond indebtedness as of June 30, 2015 is as follows:

	Interest Rate %	Original Issue	Date of Issue	Date of Maturity	Balance Outstanding
Consolidated School District:					
2006 Series	4.0 - 5.0	\$ 11,000	4/6/2006	4/15/2021	\$ 4,394
2007 Series	3.8 - 5.0	6,600	4/5/2007	4/15/2022	3,080
2008 Series A	2.8 - 5.0	1,750	4/1/2008	4/15/2022	1,136
2009 Series	3.0 - 4.5	3,975	3/25/2009	4/1/2024	2,381
2012 Series	2.0 - 4.0	3,136	3/15/2012	3/15/2027	2,392
2013 Series	2.0 - 4.0	2,800	3/19/2013	3/15/2033	2,527
2014 Series Refunding	4.0 - 5.0	1,964	10/1/2014	3/1/2020	1,964
2015 Series A	3.0 - 5.0	<u>9,935</u>	3/19/2015	3/1/2035	<u>9,935</u>
Subtotal		<u>41,160</u>			<u>27,809</u>
Public Improvement:					
2005 MERF Pension Bond	4.93	1,450	6/1/2005	6/5/2023	790
2006 Series	4.0 - 5.0	6,460	4/6/2006	4/15/2021	2,581
2007 Series	3.8 - 5.0	6,975	4/5/2007	4/15/2022	3,255
2008 Series A	2.8 - 5.0	11,215	4/1/2008	4/1/2028	7,279
2008 Series B (2000B Refund)	2.8 - 5.0	9,070	4/1/2008	4/1/2020	4,425
2008 Series B (2005 Water Refund)	2.8 - 5.0	14,170	4/1/2008	4/1/2035	8,964
2009 Series	3.0 - 4.5	9,410	3/25/2009	4/1/2024	5,719
2010 Series A	2.5 - 5.25	11,715	3/30/2010	3/1/2025	7,020
2010 Series B2	2.8 - 5.8	18,000	10/28/2010	10/1/2030	18,000
2010 Series B3	2.8 - 5.8	9,935	10/28/2010	10/1/2030	9,935
2012 Series	2.0 - 4.0	30,879	3/15/2012	3/15/2027	23,613
2013 Series	2.0 - 4.0	16,425	3/19/2013	3/15/2033	14,778
2014 Series A Refunding	4.0 - 5.0	7,636	10/1/2014	3/1/2020	7,636
2015 Series A	3.0 - 5.0	<u>19,065</u>	3/19/2015	3/1/1935	<u>19,065</u>
Subtotal		<u>172,405</u>			<u>133,060</u>
General Obligation Pension Bonds:					
1998 Series	5.70 - 6.54	<u>66,000</u>	2/1/1998	2/1/2021	<u>28,040</u>
General Obligation Pension Bonds:					
2015 Series A	1.901-4.034	<u>56,000</u>	4/15/2015	2/1/2026	<u>56,000</u>
Total Governmental Activities		<u>\$ 335,565</u>			<u>\$ 244,909</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.

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 206,759	\$ 94,600	\$ 56,450	\$ 244,909	\$ 15,625
Bond premiums	3,043	4,102	415	6,730	
Total general obligation bonds	<u>209,802</u>	<u>98,702</u>	<u>56,865</u>	<u>251,639</u>	<u>15,625</u>
Notes Payable:					
Clean Water notes	3,774		349	3,425	349
Other liabilities:					
OPEB obligation	994	443		1,437	
Compensated absences	7,706	12	208	7,510	2,161
Net pension liability	46,601	25,254	12,126	59,729	
Risk management	17,433	31,390	40,160	8,663	
Governmental Activities Long-Term Liabilities	<u>\$ 286,310</u>	<u>\$ 155,801</u>	<u>\$ 109,708</u>	<u>\$ 332,403</u>	<u>\$ 18,135</u>
Business-Type Activities:					
Bonds payable	\$ 2,016	\$	\$	\$ 2,016	\$
Notes payable:					
Clean Water notes	15,903		1,834	14,069	1,834
Compensated absences	223		3	220	88
Business-Type Activities Long-Term Liabilities	<u>\$ 18,142</u>	<u>\$ -</u>	<u>\$ 1,837</u>	<u>\$ 16,305</u>	<u>\$ 1,922</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	\$ 269,728	\$ 188,154	\$ 81,574
Schools	539,456	63,324	476,132
Sewers	449,546	47,744	401,802
Urban renewal	389,607		389,607
Pension deficit	359,637		359,637

The total overall statutory debt limitation for the City is equal to seven times annual receipts from taxation (\$839,153).

The indebtedness above includes \$68,470 of authorized bonds that were unissued as of June 30, 2015.

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

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

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

Overlapping Debt

As explained in Note 1, the Mattabassett District has been empowered by the State of Connecticut to issue bonds in its own name. The Mattabassett District has outstanding an \$83,184 Interim Funding Obligation (IFO) issued under the State of Connecticut's Clean Water Revolving Fund Program in connection with the design and construction of a Waste Water Pollution Facility Nitrogen Upgrade Project. As a member of the Mattabassett District, the City is assessed a pro-rate share of 41.61% of the District debt, which is reflected as overlapping debt. As of June 30, 2015, \$80,310 has been drawn upon and \$33,417 represents the City's share of the IFO as of that date.

The maturities relating to all bonds and serial notes of the governmental activities of the City as of June 30, 2015 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>
2016	\$ 15,625	\$ 349	\$ 10,029	\$ 65	\$ 26,068
2017	23,140	349	9,711	58	33,258
2018	24,745	349	8,797	51	33,942
2019	25,375	349	7,781	44	33,549
2020	25,310	349	6,651	37	32,347
2021	20,300	349	5,490	30	26,169
2022	16,205	349	4,605	24	21,183
2023	14,355	300	3,978	17	18,650
2024	14,520	222	3,398	12	18,152
2025	13,905	98	2,805	8	16,816
2026	13,440	98	2,231	6	15,775
2027	7,020	72	1,663	5	8,760
2028	5,635	36	1,350	4	7,025
2029	4,815	35	1,090	3	5,943
2030	4,865	35	863	2	5,765
2031	4,960	35	632	1	5,628
2032	3,129	35	441	1	3,606
2033	3,090	16	270		3,376
2034	2,200		162		2,362
2035	2,275		83		2,358
Total	\$ 244,909	\$ 3,425	\$ 72,030	\$ 368	\$ 320,732

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

The maturities relating to all bonds and serial notes of the business-type activities of the City as of June 30, 2015 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>
2016	\$	\$ 1,834	\$ 187	\$ 334	\$ 2,355
2017		1,834	176	288	2,298
2018		1,834	165	241	2,240
2019		1,834	154	194	2,182
2020		1,835	143	147	2,125
2021		1,834	132	101	2,067
2022		1,464	125	56	1,645
2023		1,200	118	26	1,344
2024		400	110	2	512
2025			101		101
2026			92		92
2027			83		83
2028			73		73
2029			64		64
2030			55		55
2031			46		46
2032	421		36		457
2033	535		76		611
2034	530		50		580
2035	530		25		555
Total	\$ <u>2,016</u>	\$ <u>14,069</u>	\$ <u>2,011</u>	\$ <u>1,389</u>	\$ <u>19,485</u>

General Obligation Bond Issues

On March 19, 2015, the City issued \$29M of general obligation bonds with interest rates ranging from 3.00% to 5.00%.

Refunding Bonds Issue

On October 1, 2014, the City issued \$9,600 of general obligation refunding bonds with interest rates ranging from 4.0%-5.0%. The bonds were issued to partially refund \$10,125 of outstanding principal amounts of the 2006, 2007, 2008A, 2009, 2010A, 2012 and 2013 general obligation bonds as well as 2007B refunding bonds. The net proceeds of \$10,566 (after an original issue premium of \$1,128 and payment of \$162 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next five years by \$719 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$202.

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On April 15, 2015, the City issued \$56M of general obligation refunding pension bonds with interest rates ranging from 1.901%-4.034%. The bonds were issued to fully refund 2008 Series C outstanding principal general obligation pension bonds of \$40M and to fully terminate their interest rate swap in connection with those bonds. Proceeds of \$15.985M were received in connection with the swap, of which \$15.3M was paid to terminate the swap. The remaining net proceeds of \$40M were deposited in an irrevocable trust fund under an escrow agreement between the Escrow Agent and the City to fully call the prior bond.

As of June 30, 2015, the amount of defeased debt outstanding from these refundings was \$5,205 and the escrow balance was \$906. This amount is removed from the governmental activities column of the statement of net position.

9. RISK MANAGEMENT

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

- Property damage
- Auto liability
- Boiler and machinery exposures

Property Damage

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

Auto Liability

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

Boiler and Machinery Exposures

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

Self-Insurance Plans

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

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
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The City's medical self-insurance program is administered by Blue Cross/Blue Shield. Under the medical plan, the City self-insures individual coverage up to a maximum of \$200 for major medical, and for hospitalization for the contract year July 1, 2010 to June 30, 2015. 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 \$667 is reported in the internal service fund at June 30, 2015, and is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

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

The City's self-insurance program for workers' compensation is administered internally. When a claim is submitted, the City processes and pays the claim from funds now accumulated by the City in an internal service fund. The Workers' Compensation Internal Service Fund was funded in 1994 to the extent that the City's financial resources would be required during the next twelve months. The charges by the Workers' Compensation Internal Service Fund to other funds will be adjusted over future years so that internal service revenues and expenses are approximately equal over such period of time. The City's aggregate workers' compensation claim liability of approximately \$5.0 million has been recorded in the workers' compensation internal service fund. The City currently carries excess workers' compensation insurance coverage. The City retains the first \$1,000 per accident; limits are statutory.

Settled claims have not exceeded the commercial coverages in any of the previous three years.

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The changes in the claim reserves for the fiscal years ended June 30, 2015 and 2014, are as follows:

	June 30, 2015			June 30, 2014		
	<u>Medical</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Medical</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>
Beginning of year claim reserve	\$ 1,583	\$ 12,880	\$ 2,970	\$ 1,918	\$ 12,880	\$ 2,970
Current year incurred claims and changes in prior year estimate	18,743	10,578	2,069	26,874	1,988	61
Claim payments	<u>(19,659)</u>	<u>(18,450)</u>	<u>(2,051)</u>	<u>(27,209)</u>	<u>(1,988)</u>	<u>(61)</u>
End of Year Claim Reserve	\$ <u>667</u>	\$ <u>5,008</u>	\$ <u>2,988</u>	\$ <u>1,583</u>	\$ <u>12,880</u>	\$ <u>2,970</u>

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Pension Trust Funds

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

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Plan Description and Benefits Provided

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

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

	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries currently receiving benefits	207	172
Terminated employees entitled to benefits but not yet receiving them	2	
Active plan members	<u>47</u>	<u>49</u>
Total	<u><u>256</u></u>	<u><u>221</u></u>

Funding Policy and Progress

The employees hired prior to July 1, 1990 shall receive full escalation of pension benefits and contribute 7% of their salaries. Employees hired on or after July 1, 1990 receive no escalation of pension benefits and contribute 5-1/2% of their salaries. The City is required to contribute the remaining amounts necessary to finance the coverage for its employees. For the fiscal year ended June 30, 2015, these required contributions were \$1,138 and \$1,594 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.

**CITY OF NEW BRITAIN, CONNECTICUT
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Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy for both plans as of June 30, 2015:

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

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for both Fire and Police, was 2.55% and 2.71%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2015 were as follows:

	<u>Police</u>	<u>Fire</u>
Total pension liability	\$ 86,703	\$ 98,161
Plan fiduciary net position	<u>69,872</u>	<u>79,808</u>
Total Net Pension Liability	<u>\$ 16,831</u>	<u>\$ 18,353</u>
Plan fiduciary net position as a percentage of the total pension liability	80.59%	81.30%

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Fire</u>
Inflation	2.75%	2.75%
Salary increases	3.75%	3.50%
Investment rate of return	7.50%	7.50%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2013-June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Core Fixed Income	2.09%
Short-Term Bonds	0.95%
Large Cap US Equities	5.61%
Small Cap US Equities	7.36%
Developed Foreign Equities	6.02%
Commodities	3.58%

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for both plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Changes in Pension Liability

	Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2014	\$ 81,871	\$ 73,781	\$ 8,090
Changes for the year:			
Service cost	636		636
Interest on total pension liability	6,295		6,295
Differences between expected and actual experience	4,846		4,846
Employer contributions		1,059	(1,059)
Member contributions		208	(208)
Net investment income		1,803	(1,803)
Benefit payments, including refund to employee contributions	(6,945)	(6,945)	
Administrative expenses		(34)	34
Net changes	<u>4,832</u>	<u>(3,909)</u>	<u>8,741</u>
Balances as of June 30, 2015	\$ <u>86,703</u>	\$ <u>69,872</u>	\$ <u>16,831</u>

	Fire Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2014	\$ 85,705	\$ 83,865	\$ 1,840
Changes for the year:			
Service cost	665		665
Interest on total pension liability	7,086		7,086
Differences between expected and actual experience	11,390		11,390
Employer contributions		531	(531)
Member contributions		244	(244)
Net investment income		1,887	(1,887)
Benefit payments, including refund to employee contributions	(6,685)	(6,685)	
Administrative expenses		(34)	34
Net changes	<u>12,456</u>	<u>(4,057)</u>	<u>16,513</u>
Balances as of June 30, 2015	\$ <u>98,161</u>	\$ <u>79,808</u>	\$ <u>18,353</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Police Net Pension Liability	\$ 25,408	\$ 16,831	\$ 9,530
Fire Net Pension Liability	28,577	18,353	9,657

Schedules of Plan Net Position

	<u>Police Benefit Fund</u>	<u>Firemen's Pension Fund</u>	<u>Total</u>
Assets:			
Investments	\$ 70,231	\$ 80,911	\$ 151,142
Liabilities:			
Accounts payable	343	575	918
Due to other funds	16	528	544
Total liabilities	<u>359</u>	<u>1,103</u>	<u>1,462</u>
Net Position Held in Trust for Pension Benefits	<u>69,872</u>	<u>79,808</u>	<u>149,680</u>
Total Liabilities and Net Position	<u>\$ 70,231</u>	<u>\$ 80,911</u>	<u>\$ 151,142</u>

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(amounts expressed in thousands)

	Police Benefit Fund	Firemen's Pension Fund	Total
Additions:			
Contributions:			
Employer	\$ 1,059	\$ 531	\$ 1,590
Employee	208	244	452
Total contributions	<u>1,267</u>	<u>775</u>	<u>2,042</u>
Investment income:			
Net appreciation fair value of investments	839	732	1,571
Interest and dividends	1,066	1,332	2,398
Miscellaneous	12	2	14
Total investment income	<u>1,917</u>	<u>2,066</u>	<u>3,983</u>
Less investment expense	<u>(114)</u>	<u>(179)</u>	<u>(293)</u>
Net investment income	<u>1,803</u>	<u>1,887</u>	<u>3,690</u>
Total additions	<u>3,070</u>	<u>2,662</u>	<u>5,732</u>
Deductions:			
Benefits	6,945	6,685	13,630
Administration	34	34	68
Total deductions	<u>6,979</u>	<u>6,719</u>	<u>13,698</u>
Net Decrease	(3,909)	(4,057)	(7,966)
Net Position at Beginning of Year, as Restated	<u>73,781</u>	<u>83,865</u>	<u>157,646</u>
Net Position at End of Year	<u>\$ 69,872</u>	<u>\$ 79,808</u>	<u>\$ 149,680</u>

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

For the year ended June 30, 2015, the City recognized pension expense of (\$15,514). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Police Pension Plan Deferred Outflows of Resources	Fire Pension Plan Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,616	3,796
Net difference between projected and actual earning on pension plan investments	<u>2,713</u>	<u>3,205</u>
Total	<u>\$ 4,329</u>	<u>7,001</u>

**CITY OF NEW BRITAIN, CONNECTICUT
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2016	\$ 6,892
2017	1,479
2018	1,479
2019	1,479

B. Municipal Employees' Retirement System

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

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Disability Retirement - Service Connected

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

Disability Retirement - Non-Service Connected

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

Death Benefit

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

Contributions

Member

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

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

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

At June 30, 2015, the City reports a liability of \$24,545 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2015, the City's proportion was 10.65%. The increase or decrease in proportion from June 30, 2014 is not available.

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(amounts expressed in thousands)

For the year ended June 30, 2015, the City recognized pension expense of \$(3,193). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
City contributions after the measurement date	\$ 5,989	\$
Net difference between projected and actual earnings on pension plan investments		<u>9,809</u>
Total	<u>\$ 5,989</u>	<u>\$ 9,809</u>

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

Year Ending June 30

2016	\$ 2,452
2017	2,452
2018	2,452
2019	<u>2,453</u>
Total	<u>\$ 9,809</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the

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

expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$ 54,533	\$ 24,545	\$ (4,533)

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Plan Fiduciary Net Position

The audited amounts as presented in the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2014 have been adjusted to be in accordance with the requirements of GASB Nos. 67 and 68. The adjustment to the contribution receivable increased the net position as previously reported from \$2,175,433 to \$2,262,724. The net pension liability at June 30, 2014 has been calculated using the adjusted amounts.

C. Teachers Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

**CITY OF NEW BRITAIN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

(amounts expressed in thousands)

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

Employees

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

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

At June 30, 2015, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>177,129</u>
Total	\$	<u><u>177,129</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the City recognized pension expense and revenue of \$13,290 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Pension Plan Fiduciary Net Position

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

Other Information

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

D. Single-Employer Defined Benefit Pension Plan

In addition to the above plans, the City is currently paying benefits to three groups of retirees by means of annual appropriations. This program covers those individuals whose pension payments commenced prior to November 1972 and retired elected officials with over 20 years of service. 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 6 retirees, 5 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 \$366. The “pay-as-you-go” plan does not have a net pension obligation as of June 30, 2015.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 465	\$ 465	100%	N/A
6/30/2014	465	465	100	N/A
6/30/2015	366	366	100	N/A

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
4/30/1996	\$ -	\$ 13,516	\$ 13,516	0.0 %	N/A	N/A
6/30/1997	-	12,270	12,270	0.0	N/A	N/A
6/30/2000 *	-	10,618	10,618	0.0	N/A	N/A

*latest actuarial valuation date

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.

E. Post Employment Benefits

Summary of Significant Accounting Policies

Basis of Accounting

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

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

Plan Description

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

At July 1, 2014, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	971
Active plan members	<u>1,386</u>
Total	<u><u>2,357</u></u>

**CITY OF NEW BRITAIN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

(amounts expressed in thousands)

Funding Policy

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

City Employees

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

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

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

Board of Education

Teachers - Pre-65 is 100% retiree paid.

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

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015**

(amounts expressed in thousands)

Police

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

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

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

Fire

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

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

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	\$ 6,671
Interest on OPEB obligation	80
Adjustment to annual required contribution	<u>(69)</u>
Annual OPEB cost	6,682
Contributions made	<u>6,239</u>
Increase in net OPEB obligation	443
Net OPEB Obligation, July 1, 2014	<u>994</u>
Net OPEB Obligation, June 30, 2015	<u><u>\$ 1,437</u></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, 2015, 2014 and 2013 are presented below.

<u>Fiscal Year End</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2013	\$ 4,842	\$ 4,721	97.5%	\$ 914
6/30/2014	6,371	6,291	98.7%	994
6/30/2015	6,682	6,239	93.4%	1,437

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.

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

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>
7/1/2010	\$ 974	\$ 48,213	\$ 47,239	2.0%	N/A	N/A
7/1/2012	1,171	68,033	66,863	2.0	N/A	N/A
7/1/2014	3,223	70,370	67,147	4.6	N/A	N/A

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/13	\$ 4,721	97.52%
6/30/14	6,360	98.74
6/30/15	6,671	93.52

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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 6.5% 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 amortization period is 30 years decreasing. The valuation type is closed group. The ultimate inflation rate is 4.0%. The annual healthcare cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% after four years.

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.

**CITY OF NEW BRITAIN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

(amounts expressed in thousands)

12. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>BOE State and Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 203	\$ 203
Trust purposes				3,009	3,009
Restricted for:					
Grants			1,761	5,694	7,455
Capital improvements		7,514			7,514
Committed to:					
General government activities				163	163
Public safety programs				128	128
Sewer maintenance				1,790	1,790
Social service programs				48	48
Recreational programs				407	407
Educational programs				291	291
Assigned to:					
Debt service	3,666				3,666
Unassigned	<u>11,277</u>	<u>(42,644)</u>		<u>(1,889)</u>	<u>(33,256)</u>
Total Fund Balances	<u>\$ 14,943</u>	<u>\$ (35,130)</u>	<u>\$ 1,761</u>	<u>\$ 9,844</u>	<u>\$ (8,582)</u>

13. BULK LIEN SALES

During the fiscal year ended June 30, 2015, the City executed a bulk sale of property tax liens and collected proceeds of \$742. The City retains no interest in the assigned liens. The purchaser bears all risks relating to its ability to collect the amounts owed and, should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of the real property.

14. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68:

Net position balance at June 30 2014, as previously reported	\$ 102,801
Adjustments:	
Eliminate net pension obligation reported per GASB No. 27	1,062
Eliminate net pension assets reported per GASB No. 27	(676)
Record starting balances net per GASB No. 68	<u>(41,488)</u>
Net Position Balance at July 1, 2014, as Restated	<u>\$ 61,699</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)
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
General property taxes	\$ 115,514	\$ 117,362	\$ 117,988	\$ 626
Interest and liens	1,000	1,402	1,402	-
Total property taxes	<u>116,514</u>	<u>118,764</u>	<u>119,390</u>	<u>626</u>
Intergovernmental revenues (State):				
State Education for the Blind	55			-
H.E.W. Private Schools	70	83	83	-
Special School Transportation	175	192	192	-
Elementary & Secondary Transportation	1,279	1,224	1,224	-
Special Education	3,500	4,013	4,013	-
Education Equalization	72,451	72,432	72,432	-
State Infraction Distribution	30	23	23	-
Principal Subsidy	187	16	16	-
Interest Subsidy	538	518	518	-
DCA Tax Abatements	28	37	37	-
Town Aid Road Fund	773	770	770	-
Veterans Exemption Reimbursement	25	31	31	-
Tax Relief for the Elderly	400	402	402	-
State Property Tax Relief	2,983	3,710	3,710	-
Telephone Access Line Tax Relief	125	130	130	-
Municipal Video Competition Grant	10			-
Civil Defense	25			-
Off Track Betting	170	139	139	-
State Pilot Hospital Colleges	2,507	2,693	2,693	-
State Pilot Model Housing		87	87	-
Manufacturers in Distress	150		83	83
Bingo	1	1	1	-
Disability Exemption	9	10	10	-
Legalized Gaming Distribution	2,307	2,326	2,326	-
Dial a Ride	49	49	49	-
FEMA Grants		478	263	(215)
Municipal Revenue Sharing Grant	1,301	1,301	1,302	1
Total intergovernmental revenues	<u>89,148</u>	<u>90,665</u>	<u>90,534</u>	<u>83</u>
Licenses and permits:				
Building Structures and Equipment	985	1,189	1,191	2
All other license	419	213	14	(199)
Protection	158	100	133	33
Health	82	92	122	30
Disposal	348	398		(398)
Planning and Zoning		7	7	-
Total licenses and permits	<u>1,992</u>	<u>1,999</u>	<u>1,467</u>	<u>(532)</u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Charges for services:				
City Hall Commissions Rent	\$	\$	\$ 41	\$ 41
Town Clerk	1,070	1,056	1,244	188
Recreation	980	916	873	(43)
Public Safety	1,165	2,118	2,084	(34)
Parking tickets	1,610	1,259	1,245	(14)
Public Works - Project Management	6	18	18	-
Health and Welfare	26	34	30	(4)
Sanitation and Fleet	196	264	557	293
Parking tickets	522	541	390	(151)
Assessor			4	4
Senior Center	14	11	11	-
Water Overhead	263	263	263	-
Legal	68	54		(54)
Other	52	44	183	139
Total charges for services	<u>5,972</u>	<u>6,578</u>	<u>6,943</u>	<u>365</u>
Total licenses, permits and charges for services	<u>7,964</u>	<u>8,577</u>	<u>8,410</u>	<u>(167)</u>
Other revenue:				
Investment income	10	79	140	61
Miscellaneous	600	409	379	(30)
Sale of real estate property		496	496	-
Board of Education	20	83		(83)
Total other revenue	<u>630</u>	<u>1,067</u>	<u>1,015</u>	<u>(52)</u>
Total revenues	214,256	219,073	219,349	490
Other Financing Sources:				
Transfers in	<u>2,036</u>	<u>2,026</u>	<u>2,026</u>	<u>-</u>
Total Budgeted Revenues and Transfers	<u>\$ 216,292</u>	<u>\$ 221,099</u>	221,375	<u>\$ 490</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			13,290	
Net effect of revenues for Dog Fund, Board of Education in Residence and YSB Funds not budgeted			307	
Bond and BAN premiums not budgeted			<u>3,666</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>\$ 238,638</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, 2015
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Legislative	\$ 176	\$ 139	\$ 139	\$ -
Boards and Commissions	3			-
Judicial	113	116	116	-
Elections	422	394	391	3
Mayor's Office	423	460	460	-
Planning and Zoning	244	208	208	-
Finance	2,660	2,495	2,625	(130)
Recording and Reporting	523	513	513	-
Legal	865	1,320	1,320	-
Central Services	21	12	12	-
Total	<u>5,450</u>	<u>5,657</u>	<u>5,784</u>	<u>(127)</u>
Public Safety:				
Police	18,868	19,348	16,083	3,265
Fire	14,213	14,439	12,508	1,931
Lighting	900	877	877	-
Building	509	562	562	-
Civil Preparedness	107	53	53	-
Central Emergency Dispatch	1,860	1,758	1,758	-
Total	<u>36,457</u>	<u>37,037</u>	<u>31,841</u>	<u>5,196</u>
Public Works:				
Administration	398	372	372	-
Street Services	3,424	3,314	3,314	-
Public Buildings	2,517	2,585	2,585	-
Capital Project	618	624	624	-
Signals and Control	191	229	229	-
Waste Disposal	3,889	3,215	3,702	(487)
Total	<u>11,037</u>	<u>10,339</u>	<u>10,826</u>	<u>(487)</u>
Parks and Recreation:				
Administration	203	200	200	-
Forestry	139	144	144	-
Horticulture	288	242	242	-
Maintenance	1,894	1,886	1,886	-
Special Projects	6	8	8	-
Recreation Department	1,140	1,079	1,079	-
Willow Brook Sports Complex	168	205	205	-
City Supported Agencies	3,357	3,357	3,357	-
Cultural Organizations	25	23	23	-
Total	<u>7,220</u>	<u>7,144</u>	<u>7,144</u>	<u>-</u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and Social Services:				
Civil Service Commission	\$ 264	\$ 288	\$ 288	\$ -
Nursing	294	271	271	-
Environmental Control	327	326	326	-
Administration	89	85	85	-
Social Services	69	61	61	-
Senior Center	507	485	485	-
Handicap Services	129	115	115	-
Total	<u>1,679</u>	<u>1,631</u>	<u>1,631</u>	<u>-</u>
General Administration:				
Pension and Benefit Contributions	15,064	16,135	17,633	(1,498)
Contingency	800	170		170
Total	<u>15,864</u>	<u>16,305</u>	<u>17,633</u>	<u>(1,328)</u>
Education	<u>120,005</u>	<u>124,361</u>	<u>124,620</u>	<u>(259)</u>
Debt Service	<u>18,373</u>	<u>18,373</u>	<u>15,314</u>	<u>3,059</u>
Total Expenditures	<u>216,085</u>	<u>220,847</u>	<u>214,793</u>	<u>6,054</u>
Other Financing Uses:				
Transfers Out:				
Dog Fund	132	132	132	-
Other	74	120	127	(7)
Total	<u>206</u>	<u>252</u>	<u>259</u>	<u>(7)</u>
Total	\$ <u>216,291</u>	\$ <u>221,099</u>	215,052	\$ <u>6,047</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 13,290
Net effect of expenditures for Dog Fund, Board of Education in Residence
and YSB Funds not budgeted 318

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

\$ 228,660

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

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 636	\$ 868
Interest	6,295	5,996
Differences between expected and actual experience	4,846	
Benefit payments, including refunds of member contributions	<u>(6,945)</u>	<u>(8,010)</u>
Net change in total pension liability	4,832	(1,146)
Total pension liability - beginning	<u>81,871</u>	<u>83,017</u>
Total pension liability - ending	<u>86,703</u>	<u>81,871</u>
Plan fiduciary net position:		
Contributions - employer	1,059	1,058
Contributions - member	208	255
Net investment income	1,803	10,805
Benefit payments, including refunds of member contributions	(6,945)	(6,666)
Administrative expense	<u>(34)</u>	<u>(149)</u>
Net change in plan fiduciary net position	(3,909)	5,303
Plan fiduciary net position - beginning	<u>73,781</u>	<u>68,478</u>
Plan fiduciary net position - ending	<u>69,872</u>	<u>73,781</u>
Net Pension Liability - Ending	<u>\$ 16,831</u>	<u>\$ 8,090</u>
Plan fiduciary net position as a percentage of the total pension liability	80.59%	90.12%
Covered-employee payroll	\$ 3,891	\$ 4,576
Net pension liability as a percentage of covered-employee payroll	432.56%	176.79%

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

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 665	\$ 759
Interest	7,086	6,263
Differences between expected and actual experience	11,390	
Benefit payments, including refunds of member contributions	<u>(6,685)</u>	<u>(8,001)</u>
Net change in total pension liability	12,456	(979)
Total pension liability - beginning	<u>85,705</u>	<u>86,684</u>
Total pension liability - ending	<u>98,161</u>	<u>85,705</u>
Plan fiduciary net position:		
Contributions - employer	531	532
Contributions - member	244	289
Net investment income	1,887	11,809
Benefit payments, including refunds of member contributions	(6,685)	(6,430)
Administrative expense	<u>(34)</u>	<u>(72)</u>
Net change in plan fiduciary net position	(4,057)	6,128
Plan fiduciary net position - beginning	<u>83,865</u>	<u>77,737</u>
Plan fiduciary net position - ending	<u>79,808</u>	<u>83,865</u>
Net Pension Liability - Ending	<u>\$ 18,353</u>	<u>\$ 1,840</u>
Plan fiduciary net position as a percentage of the total pension liability	81.30%	97.85%
Covered-employee payroll	\$ 4,105	\$ 3,662
Net pension liability as a percentage of covered-employee payroll	447.09%	50.25%

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 650	\$ 394	\$ 85	\$ 85	\$ 743	\$ 743	\$ 1,054	\$ 1,054	\$ 1,594	\$ 1,594
Contributions in relation to the actuarially determined contribution	607	419	85	85	85	749	743	1,054	1,059	1,059
Contribution Deficiency (Excess)	\$ 43	\$ (25)	\$ -	\$ -	\$ 658	\$ (6)	\$ 311	\$ -	\$ 535	\$ 535
Covered-employee payroll	\$ 6,640	\$ N/A	\$ 6,356	\$ N/A	\$ 5,829	\$ N/A	\$ 5,866	\$ N/A	\$ 4,576	\$ 3,891
Contributions as a percentage of covered-employee payroll	9.14%	N/A	1.34%	N/A	1.46%	N/A	12.67%	N/A	23.14%	27.22%

Notes to Schedule

Valuation date: 7/1/2014
Measurement date: 6/30/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	23 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.75%
Investment rate of return	7.50%
Retirement age	Graded based on age
Mortality	RP-2000 Mortality Table with projection to 2019 per Scale AA, with blue collar adjustment, and separate tables for active employees and annuitants
N/A	Not Available

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 234	\$ 433	\$ 211	\$ 211	\$ 450	\$ 450	\$ 531	\$ 531	\$ 1,138	\$ 1,138
Contributions in relation to the actuarially determined contribution	599	739	211	215	211	450	450	531	531	531
Contribution Deficiency (Excess)	\$ (365)	\$ (306)	\$ -	\$ (4)	\$ 239	\$ -	\$ 81	\$ -	\$ 607	\$ 607
Covered-employee payroll	\$ 6,502	\$ N/A	\$ 5,698	\$ N/A	\$ 4,971	\$ N/A	\$ 4,853	\$ N/A	\$ 3,662	\$ 4,105
Contributions as a percentage of covered-employee payroll	9.21%	N/A	3.70%	N/A	4.24%	N/A	9.27%	N/A	14.50%	12.94%

Notes to Schedule

Valuation date: 7/1/2014
Measurement date: 6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	23 years
Asset valuation method	5 years non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.50%
Retirement age	Graded based on age
Mortality	RP-2000 Mortality Table with projection to 2019 per Scale AA, with blue collar adjustment, and separate tables for active employees and annuitants
N/A	Not Available

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

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:		
Police	2.71%	16.16%
Fire	2.55%	15.81%

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

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.00%
City's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the City	<u>177,129</u>
Total	<u>\$ 177,129</u>
City's covered-employee payroll	\$ 68,704
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	61.51%

* The amounts presented for each fiscal year were determined as of December 31.

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

	<u>2015</u>
City's proportionate share of the net pension liability (asset)	\$ 24,545
State's proportionate share of the net pension liability (asset) associated with the City	<u>213,571</u>
Total	<u>\$ 238,116</u>
City's covered-employee payroll	\$ 50,977
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.15%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.48%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

**CITY OF NEW BRITAIN, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,610	\$ 2,739	\$ 2,953	\$ 3,376	\$ 3,341	\$ 4,344	\$ 4,916	\$ 4,886	\$ 5,113	\$ 5,989
Contributions in relation to the actuarially determined contribution	<u>1,628</u>	<u>2,739</u>	<u>2,953</u>	<u>3,376</u>	<u>3,341</u>	<u>4,344</u>	<u>4,916</u>	<u>4,886</u>	<u>5,113</u>	<u>5,989</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 39,250	\$ 43,012	\$ 45,808	\$ 46,446	\$ 46,947	\$ 49,448	\$ 49,978	\$ 48,559	\$ 40,296	\$ 50,977
Contributions as a percentage of covered employee payroll	6.65%	6.37%	6.45%	7.27%	7.12%	8.78%	9.84%	10.06%	12.69%	11.75%

Notes to Schedule

Valuation date: June 30, 2014

Measurement date: June 30, 2014

Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Single equivalent amortization period	27 years
Asset valuation method	5 years smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11%, including inflation
Investment rate of return	8%, net of investment related expense
Changes in assumptions:	In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

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, 2015 AND 2014
(In Thousands)**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 29,557	\$ 30,824
Property taxes receivable, net of allowance for uncollectible accounts (\$3,895 for 2015 and \$2,300 for 2014)	9,402	9,274
Accounts receivable	10,568	8,603
Due from other governments	187	187
Due from other funds	<u>544</u>	
Total Assets	<u>\$ 50,258</u>	<u>\$ 48,888</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued expenses	\$ 16,724	\$ 12,551
Tax anticipation notes		15,000
Unearned revenues	<u>867</u>	<u>405</u>
Total liabilities	<u>17,591</u>	<u>27,956</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	17,724	15,780
Unavailable revenue - grants receivable		187
Total deferred inflows of resources	<u>17,724</u>	<u>15,967</u>
Fund balance:		
Assigned	3,666	
Unassigned	<u>11,277</u>	<u>4,965</u>
Total fund balance	<u>14,943</u>	<u>4,965</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 50,258</u>	<u>\$ 48,888</u>

**CITY OF NEW BRITAIN, CONNECTICUT
GENERAL FUND
SCHEDULE OF TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)**

Grand List Year	Mill Rate	Uncollected Taxes July 1, 2014	Net Lawful		Other Adjustments	Transfers To Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2015
			Additions	Deductions				Taxes	Interest and Lien Fees	Total	
2013	49.00	\$ 120,101	\$ *	\$	116	\$	\$ 120,217	\$ 115,690	\$ 768	\$ 116,458	\$ 4,527
2012	44.12	3,246	40	49	(3)		3,234	1,722	379	2,101	1,512
2011	36.63	1,071	10	34	(4)		1,043	205	103	308	838
2010	36.63	844	4	54			794	85	63	148	709
2009	36.63	694		33			661	65	53	118	596
2008	34.98	627	3	53			577	36	30	66	541
2007	34.98	595		38			557	20	25	45	537
2006	45.89	693		37			656	17	28	45	639
2005	45.88	606	2	4			604	14	22	36	590
2004	45.89	525		2			523	10	18	28	513
2003	46.90	439					439	7	12	19	432
2002	46.93	500					500	6	12	18	494
2001	54.76	524					524	6	12	18	518
2000	50.88	452					452	4	10	14	448
1999	49.98	406					406	3	11	14	403
1998	49.42	351		351			-			-	-
1997	49.48						-			-	-
Total		<u>\$ 131,674</u>	<u>\$ 59</u>	<u>\$ 655</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 131,187</u>	<u>\$ 117,890</u>	<u>\$ 1,546</u>	119,436	<u>\$ 13,297</u>

* Includes motor vehicle supplement

Property taxes receivable considered available:
 June 30, 2014 (745)
 June 30, 2015 1,001
1,001
 Total Collections \$ 119,692

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	Stanley Quarter Park	Park Security and Policing	Cemetery	Sewer Use	Police & Youth Grants	New Britain Marketing Collaborative	Local Capital Improvement	Retiree Plan Reimbursement	Lead Poisoning Prevention	American Savings Grant
ASSETS										
Cash and cash equivalents	\$	\$ 123	\$	\$ 27	\$	\$	\$ 14	\$ 50	\$ 1	\$ 19
Accounts receivable				5,131						
Loans receivable										
Due from other governments						19				
Due from other funds										
Inventory										
Total Assets	\$ -	\$ 123	\$ -	\$ 5,158	\$ -	\$ -	\$ 33	\$ 50	\$ 1	\$ 19
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 372	\$ 5	\$ 22	\$ 38	\$	\$ 33	\$	\$	\$	\$ 7
Due to other funds	580		54		2	7				
Unearned revenue										
Total liabilities	952	5	76	38	2	7	33	-	-	7
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable				3,330						
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	3,330	-	-	-	-	-	-
Fund Balances:										
Nonspendable										
Restricted										
Committed		118		1,790			50	1		12
Unassigned	(952)		(76)		(2)	(7)				
Total fund balances	(952)	118	(76)	1,790	(2)	(7)	-	50	1	12
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 123	\$ -	\$ 5,158	\$ -	\$ -	\$ 33	\$ 50	\$ 1	\$ 19

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds								
	Police Explorers	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant
ASSETS									
Cash and cash equivalents	\$ 6	\$ 15	\$ 11	\$ 1	\$ 11	\$	\$	\$	12
Accounts receivable	8								
Loans receivable									
Due from other governments									
Due from other funds									
Inventory									
Total Assets	\$ 14	\$ 15	\$ 11	\$ 1	\$ 11	\$ -	\$ -	\$ -	\$ 12
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 4	\$ 1	\$	\$	\$ 14	\$ 2	\$ 2	\$	\$
Due to other funds						6		19	
Unearned revenue									
Total liabilities	4	1	-	-	14	8	2	19	-
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable									
Restricted		14		1					12
Committed	10		11						
Unassigned					(3)	(8)	(2)	(19)	
Total fund balances	10	14	11	1	(3)	(8)	(2)	(19)	12
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14	\$ 15	\$ 11	\$ 1	\$ 11	\$ -	\$ -	\$ -	\$ 12

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds													
	System of Care Grant	Historical Records Preservation	21st Century Grant	Property Management	Public Safety	Centralized and Distribution Services	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation				
ASSETS														
Cash and cash equivalents	\$	\$	133	\$	19	\$	5	\$	5	\$	114	\$		
Accounts receivable														
Loans receivable														
Due from other governments														
Due from other funds														
Inventory														
Total Assets	\$	-	\$	133	\$	19	\$	5	\$	-	\$	-	\$	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES														
Liabilities:														
Accounts payable	\$	\$	20	\$	3	\$		\$		\$	4	\$		
Due to other funds		28				110	236			3			1	
Unearned revenue														
Total liabilities		28		20		3	-		110	236	-		7	1
Deferred Inflows of Resources:														
Unavailable revenue - sewer receivable														
Unavailable revenue - loans receivable														
Total deferred inflows of resources		-		-		-	-		-	-	-		-	
Fund Balances:														
Nonspendable														
Restricted				16	5			114						
Committed		113						5						
Unassigned	(28)					(110)	(236)			(7)		(1)		
Total fund balances	(28)	113		16	5	(110)	(236)	5		114		(7)	(1)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	-	\$	133	\$	19	\$	5	\$	-	\$	-	\$	-

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	<u>STD Control Program</u>	<u>Recreation Donation</u>	<u>Recreation Amusement</u>	<u>Health Per Capita</u>	<u>Highway Safety Grant</u>	<u>Drug Investigation</u>	<u>Senior Citizens Center</u>	<u>Mobile Data Communication</u>	<u>Pulmonary Screening</u>	<u>Mayor's Fun Day</u>
ASSETS										
Cash and cash equivalents	\$ 3	\$ 315	\$ 32	\$ 78	\$ -	\$ 470	\$ 31	\$ -	\$ 164	\$ 19
Accounts receivable										
Loans receivable										
Due from other governments										
Due from other funds						626		1,257		
Inventory										
Total Assets	<u>\$ 3</u>	<u>\$ 315</u>	<u>\$ 32</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 1,096</u>	<u>\$ 31</u>	<u>\$ 1,257</u>	<u>\$ 164</u>	<u>\$ 19</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ 11	\$ -	\$ 2	\$ 1	\$ 144	\$ 1	\$ -	\$ 4	\$ -
Due to other funds					258					
Unearned revenue										
Total liabilities	<u>-</u>	<u>11</u>	<u>-</u>	<u>2</u>	<u>259</u>	<u>144</u>	<u>1</u>	<u>-</u>	<u>4</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable										
Restricted	3			76		952		1,257	160	
Committed		304	32				30			
Unassigned					(259)					19
Total fund balances	<u>3</u>	<u>304</u>	<u>32</u>	<u>76</u>	<u>(259)</u>	<u>952</u>	<u>30</u>	<u>1,257</u>	<u>160</u>	<u>19</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3</u>	<u>\$ 315</u>	<u>\$ 32</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 1,096</u>	<u>\$ 31</u>	<u>\$ 1,257</u>	<u>\$ 164</u>	<u>\$ 19</u>

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**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds								
	Assistance to CCSU Police Department	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic
ASSETS									
Cash and cash equivalents	\$	\$ 23	\$	\$	\$	\$	\$ 1,361	\$ 27	\$ 144
Accounts receivable									
Loans receivable									
Due from other governments							923		
Due from other funds									
Inventory							203		
Total Assets	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ 2,487	\$ 27	\$ 144
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$ 61	\$	\$ 14	\$ 1	\$ 935	\$ 12	\$
Due to other funds	56		80	200		5			
Unearned revenue									
Total liabilities	56	-	141	200	14	6	935	12	-
Deferred Inflows of Resources:									
Unavailable revenue - sewer receivable									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable							203		
Restricted		23					923		
Committed									144
Unassigned	(56)		(141)	(200)	(14)	(6)	426	15	
Total fund balances	(56)	23	(141)	(200)	(14)	(6)	1,552	15	144
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ 2,487	\$ 27	\$ 144

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	Adult Education	Summer School Music	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition
ASSETS										
Cash and cash equivalents	\$ 118	\$ 21	\$ 22	\$ 18	\$	\$ 666	\$ 156	\$ 323	\$ 47	\$ 98
Accounts receivable				12	5	753	61	3		
Loans receivable						1,301	2,671	546		
Due from other governments					10					
Due from other funds										
Inventory										
Total Assets	\$ 118	\$ 21	\$ 22	\$ 30	\$ 15	\$ 2,720	\$ 2,888	\$ 872	\$ 47	\$ 98
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	\$ 22	\$ 82	\$ 14	\$ 130	\$ 139	\$	\$	\$
Due to other funds					32					
Unearned revenue							9			
Total liabilities	-	-	22	82	46	130	148	-	-	-
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable						1,301	2,671	539		
Total deferred inflows of resources	-	-	-	-	-	1,301	2,671	539	-	-
Fund Balances:										
Nonspendable										
Restricted						1,289	69	333	47	98
Committed	118	21								
Unassigned				(52)	(31)					
Total fund balances	118	21	-	(52)	(31)	1,289	69	333	47	98
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 118	\$ 21	\$ 22	\$ 30	\$ 15	\$ 2,720	\$ 2,888	\$ 872	\$ 47	\$ 98

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery
ASSETS										
Cash and cash equivalents	\$ 6	\$	\$ 47	\$	\$	\$ 302	\$ 1,240	\$ 1,505	\$ 13	\$ 264
Accounts receivable		4								
Loans receivable										
Due from other governments										
Due from other funds										
Inventory										
Total Assets	\$ 6	\$ 4	\$ 47	\$ -	\$ -	\$ 302	\$ 1,240	\$ 1,505	\$ 13	\$ 264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 12	\$	\$	\$	\$ 9	\$	\$	\$	\$	\$
Due to other funds		9		13	44					
Unearned revenue										
Total liabilities	12	9	-	13	53	-	-	-	-	-
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable							1,240	1,505		264
Restricted						302				
Committed			47						13	
Unassigned	(6)	(5)		(13)	(53)					
Total fund balances	(6)	(5)	47	(13)	(53)	302	1,240	1,505	13	264
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6	\$ 4	\$ 47	\$ -	\$ -	\$ 302	\$ 1,240	\$ 1,505	\$ 13	\$ 264

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds							Interfund Eliminations	Total Nonmajor Governmental Funds	
	Arts Fund	Community Gardens	Cops Hiring Grant	Preserve America	Fire Grant	Cold Weather Shelter	Busway Bike Trails			Total
ASSETS										
Cash and cash equivalents	\$ 8	\$	\$	\$	\$	\$	\$	8,087	\$	8,087
Accounts receivable				3				5,980		5,980
Loans receivable								4,518		4,518
Due from other governments			104					1,056		1,056
Due from other funds								1,883	(1,883)	-
Inventory								203		203
Total Assets	\$ 8	\$ -	\$ 104	\$ 3	\$ -	\$ -	\$ -	\$ 21,727	\$ (1,883)	\$ 19,844
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$	21	\$			8	\$ 2,150	\$	2,150
Due to other funds			135	3			2	1,883	(1,883)	-
Unearned revenue								9		9
Total liabilities	-	-	156	3	-	-	10	4,042	(1,883)	2,159
Deferred Inflows of Resources:										
Unavailable revenue - sewer receivable								3,330		3,330
Unavailable revenue - loans receivable								4,511		4,511
Total deferred inflows of resources	-	-	-	-	-	-	-	7,841	-	7,841
Fund Balances:										
Nonspendable								3,212		3,212
Restricted								5,694		5,694
Committed	8							2,827		2,827
Unassigned			(52)				(10)	(1,889)		(1,889)
Total fund balances	8	-	(52)	-	-	-	(10)	9,844	-	9,844
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8	\$ -	\$ 104	\$ 3	\$ -	\$ -	\$ -	\$ 21,727	\$ (1,883)	\$ 19,844

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	Stanley Quarter Park	Park Security and Policing	Cemetery	Sewer Use	Police & Youth Grants	New Britain Marketing Collaborative	Local Capital Improvement	Retiree Plan Reimbursement	Lead Poisoning Prevention	American Savings Grant
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	846	\$	\$	125
Investment earnings			13							
Licenses, fees and charges for goods and services	1,935	50	247	8,594						
Other revenues										
Total revenues	<u>1,935</u>	<u>50</u>	<u>260</u>	<u>8,594</u>	<u>-</u>	<u>-</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>125</u>
Expenditures:										
General government										
Public safety		25								
Public works				6,636		846				
Health and welfare			346							
Parks, recreation and libraries	2,121									133
Education										
Total expenditures	<u>2,121</u>	<u>25</u>	<u>346</u>	<u>6,636</u>	<u>-</u>	<u>-</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>133</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(186)</u>	<u>25</u>	<u>(86)</u>	<u>1,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out	(95)		(11)	(940)						
Total other financing sources (uses)	<u>(95)</u>	<u>-</u>	<u>(11)</u>	<u>(940)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(281)	25	(97)	1,018	-	-	-	-	-	(8)
Fund Balances at Beginning of Year	<u>(671)</u>	<u>93</u>	<u>21</u>	<u>772</u>	<u>(2)</u>	<u>(7)</u>	<u>-</u>	<u>50</u>	<u>1</u>	<u>20</u>
Fund Balances at End of Year	<u>\$ (952)</u>	<u>\$ 118</u>	<u>\$ (76)</u>	<u>\$ 1,790</u>	<u>\$ (2)</u>	<u>\$ (7)</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 1</u>	<u>\$ 12</u>

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**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds								
	Police Explorers	Preventative Health Block Grant	Parks & Recreation Special Projects	21st Century After School Grant	Exercise the Right Choice	Exercise the Right Choice II	Immunization Action Plan	Bullet Proof Vest Grant	Bioterrorism Grant
Revenues:									
Intergovernmental revenue	\$	\$ 20	\$	\$ 25	\$ 218	\$ 29	\$ 86	\$	\$ 48
Investment earnings									
Licenses, fees and charges for goods and services			11						
Other revenues	11								
Total revenues	<u>11</u>	<u>20</u>	<u>11</u>	<u>25</u>	<u>218</u>	<u>29</u>	<u>86</u>	<u>-</u>	<u>48</u>
Expenditures:									
General government									
Public safety	4							1	
Public works									
Health and welfare		20					85		74
Parks, recreation and libraries				24	221	29			
Education									
Total expenditures	<u>4</u>	<u>20</u>	<u>-</u>	<u>24</u>	<u>221</u>	<u>29</u>	<u>85</u>	<u>1</u>	<u>74</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7</u>	<u>-</u>	<u>11</u>	<u>1</u>	<u>(3)</u>	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>(26)</u>
Other Financing Sources (Uses):									
Transfers in								12	
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>
Net Change in Fund Balances	7	-	11	1	(3)	-	1	11	(26)
Fund Balances at Beginning of Year	<u>3</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(3)</u>	<u>(30)</u>	<u>38</u>
Fund Balances at End of Year	<u>\$ 10</u>	<u>\$ 14</u>	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ (3)</u>	<u>\$ (8)</u>	<u>\$ (2)</u>	<u>\$ (19)</u>	<u>\$ 12</u>

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**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	System of Care Grant	Historical Records Preservation	21st Century Grant	Property Management	Public Safety	Centralized and Distribution Services	Conversation on Race	Victim Services Coordinator Grant	Federal Omnibus Appropriation	CT Health Foundation
Revenues:										
Intergovernmental revenue	\$	\$	20	\$	32	\$	\$	\$	114	\$
Investment earnings										
Licenses, fees and charges for goods and services										
Other revenues	9						2			
Total revenues	<u>9</u>	<u>20</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>114</u>	<u>-</u>
Expenditures:										
General government		8								
Public safety								41		
Public works										
Health and welfare	18									
Parks, recreation and libraries			110				2			
Education										
Total expenditures	<u>18</u>	<u>8</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>41</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9)</u>	<u>12</u>	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9)	12	(78)	-	-	-	-	-	73	-
Fund Balances at Beginning of Year	<u>(19)</u>	<u>101</u>	<u>94</u>	<u>5</u>	<u>(110)</u>	<u>(236)</u>	<u>5</u>	<u>114</u>	<u>(80)</u>	<u>(1)</u>
Fund Balances at End of Year	<u><u>(28)</u></u>	<u><u>113</u></u>	<u><u>16</u></u>	<u><u>5</u></u>	<u><u>(110)</u></u>	<u><u>(236)</u></u>	<u><u>5</u></u>	<u><u>114</u></u>	<u><u>(7)</u></u>	<u><u>(1)</u></u>

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**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	STD Control Program	Recreation Donation	Recreation Amusement	Health Per Capita	Highway Safety Grant	Drug Investigation	Senior Citizens Center	Mobile Data Communication	Pulmonary Screening	Mayor's Fun Day
Revenues:										
Intergovernmental revenue	\$ 12			\$ 124	\$ 111	\$ 229		\$ 122	\$ 44	
Investment earnings										
Licenses, fees and charges for goods and services							6			
Other revenues		192	11							6
Total revenues	<u>12</u>	<u>192</u>	<u>11</u>	<u>124</u>	<u>111</u>	<u>229</u>	<u>6</u>	<u>122</u>	<u>44</u>	<u>6</u>
Expenditures:										
General government										
Public safety					186	578		34		
Public works										
Health and welfare	12			118					21	
Parks, recreation and libraries		105	7							4
Education										
Total expenditures	<u>12</u>	<u>105</u>	<u>7</u>	<u>118</u>	<u>186</u>	<u>578</u>	<u>7</u>	<u>34</u>	<u>21</u>	<u>4</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>87</u>	<u>4</u>	<u>6</u>	<u>(75)</u>	<u>(349)</u>	<u>(1)</u>	<u>88</u>	<u>23</u>	<u>2</u>
Other Financing Sources (Uses):										
Transfers in					8					
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	87	4	6	(67)	(349)	(1)	88	23	2
Fund Balances at Beginning of Year	<u>3</u>	<u>217</u>	<u>28</u>	<u>70</u>	<u>(192)</u>	<u>1,301</u>	<u>31</u>	<u>1,169</u>	<u>137</u>	<u>17</u>
Fund Balances at End of Year	<u>\$ 3</u>	<u>\$ 304</u>	<u>\$ 32</u>	<u>\$ 76</u>	<u>\$ (259)</u>	<u>\$ 952</u>	<u>\$ 30</u>	<u>\$ 1,257</u>	<u>\$ 160</u>	<u>\$ 19</u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds								
	Assistance to CCSU Police Department	Asthma Initiative Grant	ARRA Paving Program	Public Works Grants	Fireworks Fund	YSB Program Activity	School Lunch Program	School Rental Account	High School Athletic
Revenues:									
Intergovernmental revenue	\$	\$	\$ 138	\$ 70	\$	\$	\$ 6,183	\$	\$
Investment earnings									
Licenses, fees and charges for goods and services					1		630	64	120
Other revenues		1				27			
Total revenues	<u>-</u>	<u>1</u>	<u>138</u>	<u>70</u>	<u>1</u>	<u>27</u>	<u>6,813</u>	<u>64</u>	<u>120</u>
Expenditures:									
General government									
Public safety									
Public works			279						
Health and welfare									
Parks, recreation and libraries					60				
Education						38	6,818		92
Total expenditures	<u>-</u>	<u>-</u>	<u>279</u>	<u>-</u>	<u>60</u>	<u>38</u>	<u>6,818</u>	<u>-</u>	<u>92</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1</u>	<u>(141)</u>	<u>70</u>	<u>(59)</u>	<u>(11)</u>	<u>(5)</u>	<u>64</u>	<u>28</u>
Other Financing Sources (Uses):									
Transfers in					27				
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1	(141)	70	(32)	(11)	(5)	64	28
Fund Balances at Beginning of Year	<u>(56)</u>	<u>22</u>	<u>-</u>	<u>(270)</u>	<u>18</u>	<u>5</u>	<u>1,557</u>	<u>(49)</u>	<u>116</u>
Fund Balances at End of Year	<u>\$ (56)</u>	<u>\$ 23</u>	<u>\$ (141)</u>	<u>\$ (200)</u>	<u>\$ (14)</u>	<u>\$ (6)</u>	<u>\$ 1,552</u>	<u>\$ 15</u>	<u>\$ 144</u>

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**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	Adult Education	Summer School Music	Community and Neighborhood Development	Business Outreach	Emergency Shelter Grant	Community Development Block Grant	HOME Project	Lead Grant	State Home Programs	CHFA Broad Street Demolition
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$ 71	\$ 1,449	\$ 1,210	\$	\$	\$
Investment earnings										
Licenses, fees and charges for goods and services	8	3				16				
Other revenues										
Total revenues	<u>8</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>71</u>	<u>1,465</u>	<u>1,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare					71	1,655	1,339			
Parks, recreation and libraries										
Education		1								
Total expenditures	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>71</u>	<u>1,655</u>	<u>1,339</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190)</u>	<u>(129)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8	2	-	-	-	(190)	(129)	-	-	-
Fund Balances at Beginning of Year	<u>110</u>	<u>19</u>	<u>-</u>	<u>(52)</u>	<u>(31)</u>	<u>1,479</u>	<u>198</u>	<u>333</u>	<u>47</u>	<u>98</u>
Fund Balances at End of Year	<u>\$ 118</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ (31)</u>	<u>\$ 1,289</u>	<u>\$ 69</u>	<u>\$ 333</u>	<u>\$ 47</u>	<u>\$ 98</u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds									
	Redevelopment Commission	Brownfield Pilot	Rental	EFSP Program	Neighborhood Stabilization Program	C.B. Erwin Walnut Hill Park	Darius Miller Walnut Hill	C.B. Stanley Walnut Hill	Parks and Recreation	Darius Miller F/B/O Fairview Cemetery
Revenues:										
Intergovernmental revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Investment earnings						(8)	36	11		
Licenses, fees and charges for goods and services										
Other revenues										
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>36</u>	<u>11</u>	<u>-</u>	<u>-</u>
Expenditures:										
General government										
Public safety										
Public works										
Health and welfare										
Parks, recreation and libraries						7	61	91		
Education										
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>61</u>	<u>91</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>(25)</u>	<u>(80)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers in										
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-	(15)	(25)	(80)	-	-
Fund Balances at Beginning of Year	<u>(6)</u>	<u>(5)</u>	<u>47</u>	<u>(13)</u>	<u>(53)</u>	<u>317</u>	<u>1,265</u>	<u>1,585</u>	<u>13</u>	<u>264</u>
Fund Balances at End of Year	<u><u>(6)</u></u>	<u><u>(5)</u></u>	<u><u>47</u></u>	<u><u>(13)</u></u>	<u><u>(53)</u></u>	<u><u>302</u></u>	<u><u>1,240</u></u>	<u><u>1,505</u></u>	<u><u>13</u></u>	<u><u>264</u></u>

(Continued on next page)

**CITY OF NEW BRITAIN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 (In Thousands)**

	Special Revenue Funds							Interfund Eliminations	Total Nonmajor Governmental Funds
	Arts Fund	Community Gardens Fund	Cops Hiring Grant	Preserve America Fund	Fire Grant	Cold Weather Shelter	Busway Bike Trails		
Revenues:									
Intergovernmental revenue	\$	\$	\$ 617	\$ 17			\$ 11,960	\$	\$ 11,960
Investment earnings							52		52
Licenses, fees and charges for goods and services							11,685		11,685
Other revenues					3	90	352		352
Total revenues	<u>-</u>	<u>-</u>	<u>617</u>	<u>17</u>	<u>3</u>	<u>90</u>	<u>24,049</u>	<u>-</u>	<u>24,049</u>
Expenditures:									
General government							8		8
Public safety			617				1,486		1,486
Public works							7,761		7,761
Health and welfare				17	3	90	3,869		3,869
Parks, recreation and libraries		1					2,993		2,993
Education							6,949		6,949
Total expenditures	<u>-</u>	<u>1</u>	<u>617</u>	<u>17</u>	<u>3</u>	<u>10</u>	<u>23,066</u>	<u>-</u>	<u>23,066</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>983</u>	<u>-</u>	<u>983</u>
Other Financing Sources (Uses):									
Transfers in							47	(20)	27
Transfers out							(1,046)	20	(1,026)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(999)</u>	<u>-</u>	<u>(999)</u>
Net Change in Fund Balances	-	(1)	-	-	-	(10)	(16)	-	(16)
Fund Balances at Beginning of Year	<u>8</u>	<u>1</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,860</u>	<u>-</u>	<u>9,860</u>
Fund Balances at End of Year	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ (52)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ 9,844</u>	<u>\$ -</u>	<u>\$ 9,844</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 OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)

<u>Project Description</u>	<u>Amended Budget</u>	<u>Current Year Expenditures and Transfers</u>	<u>Cumulative Expenditures</u>	<u>Available Budget</u>
Capital Equipment Reserve #004	\$ 26,621	\$ 2,282	\$ 18,264	\$ 8,357
Capital and Nonrecurring #003	17,185	68	17,004	181
Subway #005		12	1,314	(1,314)
New Britain High School	16,595		16,515	80
Diloretto School Renovation	10,000	60	9,518	482
Gaffney School Renovation	30,000	22,788	23,736	6,264
Various BOE Projects	9,935	4,688	9,211	724
School Security Upgrade	574	43	440	134
Badolato & Szczesny Garage Repairs	6,775	55	5,533	1,242
Technology Bond	2,000	11	1,652	348
Storm Water System Improvements	4,750	48	3,919	831
Environmental Remediation	8,150	1,260	8,135	15
Street Infrastructure	30,058	2,266	24,699	5,359
Transfer Station Rehab	2,378	(1)	1,707	671
Broad Street Reconstruction	13,300	64	12,387	913
Fafnir Smart Park Expansion	3,250		2,864	386
Downtown Feasibility Study	250		250	-
Willow Street Project			5,478	(5,478)
Bridge Program	2,425	21	1,048	1,377
Pinnacle Heights	7,946		7,850	96
Sewer I&I Improvements	17,775	5	14,959	2,816
Beaver St Reconstruction	1,000	16	755	245
New Police Station	38,850	(3)	38,008	842
2011 Revaluation	500	(1)	457	43
Fairview Cemetery Fence	275	0	229	46
AW Stanley Pool	648	(1)	385	263
Stanley Golf Course Irrigation	2,000	1,684	1,692	308
Telecommunications	5,750	30	5,629	121
City Wide Facilities PW	610	205	230	380
Willow Brook Park Improvements	3,329	401	3,018	311
City Wide Park ADA Improvements	875		2	873
City Wide Park Improvements	990	939	458	532
Beehive Stadium Improvements	1,495	886	891	604
Chesley Park Improvements	2,075	389	473	1,602
Chesley Pool	102		89	13
Washington Park Pool	100		89	11
Telecommunications	1,400		280	1,120
Streetscape Improvements	9,123	643	1,238	7,885
Arch Street Improvements	1,200		2	1,198
Broad Street Reconstruction Phase 2	4,350	169	151	4,199
Elam Street Water Tank	5,395	14	14	5,381
NB Stadium Renovations	500			500
TOTAL	\$ 290,534	\$ 39,041	\$ 240,573	\$ 49,961

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Services Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.

Special Reserve Fund

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

Health Insurance Fund

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

Workers' Compensation Fund

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

General Accident Casualty and Liability Fund

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

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Interfund Elimination	Total
ASSETS						
Cash and cash equivalents	\$ 3,769	\$	\$ 1,445	\$ 741	\$	\$ 5,955
Investments			14,426	2,284		16,710
Due from other funds			907		(907)	-
Accounts receivable	225	47	4	7		283
Total Assets	<u>\$ 3,994</u>	<u>\$ 47</u>	<u>\$ 16,782</u>	<u>\$ 3,032</u>	<u>\$ (907)</u>	<u>\$ 22,948</u>
LIABILITIES AND NET POSITION						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,061	\$ 126	\$ 14	\$	\$	\$ 1,201
Due to other funds		907			(907)	-
Claim reserves		667	5,008	2,988		8,663
Total liabilities	1,061	1,700	5,022	2,988	(907)	9,864
Net Position	<u>2,933</u>	<u>(1,653)</u>	<u>11,760</u>	<u>44</u>		<u>13,084</u>
Total Liabilities and Net Position	<u>\$ 3,994</u>	<u>\$ 47</u>	<u>\$ 16,782</u>	<u>\$ 3,032</u>	<u>\$ (907)</u>	<u>\$ 22,948</u>

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)

	Special Reserve Fund	Health Insurance Fund	Workers' Compensation	General Accident Casualty and Liability	Transfer Eliminations	Total
Operating Revenues:						
Charges to other funds	\$ 23,502	\$ 7,389	\$ 7,993	\$	\$	\$ 38,884
Other revenues	502	2,145		133		2,780
Total operating revenues	<u>24,004</u>	<u>9,534</u>	<u>7,993</u>	<u>133</u>	<u>-</u>	<u>41,664</u>
Operating Expenses:						
Claims incurred	18,743	10,578	2,069	48		31,438
Administrative costs	47	492	198	11		748
Total operating expenses	<u>18,790</u>	<u>11,070</u>	<u>2,267</u>	<u>59</u>	<u>-</u>	<u>32,186</u>
Operating Income (Loss)	<u>5,214</u>	<u>(1,536)</u>	<u>5,726</u>	<u>74</u>	<u>-</u>	<u>9,478</u>
Nonoperating Revenues (Expenses):						
Interest and dividends			712	106		818
Decrease in actuarial claims reserve		(916)				(916)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(916)</u>	<u>712</u>	<u>106</u>	<u>-</u>	<u>(98)</u>
Income (Loss) Before Transfers	<u>5,214</u>	<u>(2,452)</u>	<u>6,438</u>	<u>180</u>	<u>-</u>	<u>9,380</u>
Other Financing Sources (Uses):						
Transfers from other funds		2,004			(2,004)	-
Transfers to other funds	(2,004)				2,004	-
Total other financing sources (uses)	<u>(2,004)</u>	<u>2,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	3,210	(448)	6,438	180	-	9,380
Net Position at Beginning of Year	<u>(277)</u>	<u>(1,205)</u>	<u>5,322</u>	<u>(136)</u>	<u>-</u>	<u>3,704</u>
Net Position at End of Year	<u>\$ 2,933</u>	<u>\$ (1,653)</u>	<u>\$ 11,760</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 13,084</u>

CITY OF NEW BRITAIN, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)

	<u>Special Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Workers' Compensation</u>	<u>General Accident Casualty and Liability</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Cash received from charges to other funds	\$ 23,502	\$ 7,389	\$ 7,989	\$	\$ 38,880
Cash received from other operating activities	277	2,131		126	2,534
Cash paid for premiums and other operating expenses	(47)	(492)	(198)	(11)	(748)
Cash payments for claims made	(17,959)	(10,749)	(10,583)	(30)	(39,321)
Net cash provided by (used in) operating activities	<u>5,773</u>	<u>(1,721)</u>	<u>(2,792)</u>	<u>85</u>	<u>1,345</u>
Cash Flows from Noncapital Financing Activities:					
Cash received from other funds		2,004			2,004
Cash paid to other funds	(2,004)				(2,004)
Net cash provided by (used in) noncapital financing activities	<u>(2,004)</u>	<u>2,004</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest income			712	106	818
Actuarial claims reserve		(916)			(916)
Purchase of investments			(654)	(95)	(749)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(916)</u>	<u>58</u>	<u>11</u>	<u>(847)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,769	(633)	(2,734)	96	498
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>633</u>	<u>4,179</u>	<u>645</u>	<u>5,457</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,769</u>	<u>\$ -</u>	<u>\$ 1,445</u>	<u>\$ 741</u>	<u>\$ 5,955</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:					
Operating income (loss)	\$ 5,214	\$ (1,536)	\$ 5,726	\$ 74	\$ 9,478
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Increase in due from other funds			(630)		(630)
Increase in accounts receivable	(225)	(14)	(4)	(7)	(250)
Increase (decrease) in due to other funds	(277)	907			630
Increase (decrease) in accounts payable and accrued expenses	1,061	(1,078)	(7,884)	18	(7,883)
Total adjustments	<u>559</u>	<u>(185)</u>	<u>(8,518)</u>	<u>11</u>	<u>(8,133)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 5,773</u>	<u>\$ (1,721)</u>	<u>\$ (2,792)</u>	<u>\$ 85</u>	<u>\$ 1,345</u>
Noncash Investment Activities:					
Net Increase in the Fair Value of Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654</u>	<u>\$ 281</u>	<u>\$ 935</u>

Fiduciary Funds

TRUST FUNDS

Pension Trust Funds

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

Other Post Employment Benefit Trust Fund

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

AGENCY FUNDS

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

Student Activity Fund

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

Contractor's Bond Fund

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

Downtown District

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

**CITY OF NEW BRITAIN, CONNECTICUT
TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015
(In Thousands)**

	<u>Firemen's Pension Fund</u>	<u>Police Benefit Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$	\$	\$ 2,198	\$ 2,198
Investments	<u>80,911</u>	<u>70,231</u>	<u>1,580</u>	<u>152,722</u>
Total Assets	<u>\$ 80,911</u>	<u>\$ 70,231</u>	<u>\$ 3,778</u>	<u>\$ 154,920</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts payable	\$ 575	\$ 343	\$	\$ 918
Due to other funds	<u>528</u>	<u>16</u>	<u></u>	<u>544</u>
Total liabilities	<u>1,103</u>	<u>359</u>	<u>-</u>	<u>1,462</u>
Net Position Held in Trust for Pension Benefits	<u>79,808</u>	<u>69,872</u>	<u>3,778</u>	<u>153,458</u>
Total Liabilities and Net Position	<u>\$ 80,911</u>	<u>\$ 70,231</u>	<u>\$ 3,778</u>	<u>\$ 154,920</u>

**CITY OF NEW BRITAIN, CONNECTICUT
TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(In Thousands)**

	<u>Firemen's Pension Fund</u>	<u>Police Benefit Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:				
Contributions:				
Employer	\$ 531	\$ 1,059	\$ 500	\$ 2,090
Employee	244	208		452
Total contributions	<u>775</u>	<u>1,267</u>	<u>500</u>	<u>2,542</u>
Investment income:				
Net appreciation fair value of investments	732	839	30	1,601
Interest and dividends	1,332	1,066	33	2,431
Miscellaneous	2	12		14
Total investment income	<u>2,066</u>	<u>1,917</u>	<u>63</u>	<u>4,046</u>
Less investment expense	<u>(179)</u>	<u>(114)</u>		<u>(293)</u>
Net investment income	<u>1,887</u>	<u>1,803</u>	<u>63</u>	<u>3,753</u>
Total additions	<u>2,662</u>	<u>3,070</u>	<u>563</u>	<u>6,295</u>
Deductions:				
Benefits	6,685	6,945		13,630
Administration	34	34	8	76
Total deductions	<u>6,719</u>	<u>6,979</u>	<u>8</u>	<u>13,706</u>
Net Increase (Decrease)	(4,057)	(3,909)	555	(7,411)
Net Position at Beginning of Year	<u>83,865</u>	<u>73,781</u>	<u>3,223</u>	<u>160,869</u>
Net Position at End of Year	<u>\$ 79,808</u>	<u>\$ 69,872</u>	<u>\$ 3,778</u>	<u>\$ 153,458</u>

**CITY OF NEW BRITAIN, CONNECTICUT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Contractor's Bond Fund				
Assets:				
Cash and cash equivalents	\$ 60	\$ 279	\$	\$ 339
Investments	<u>228</u>	<u></u>	<u>228</u>	<u>-</u>
Total	<u>\$ 288</u>	<u>\$ 279</u>	<u>\$ 228</u>	<u>\$ 339</u>
Liabilities:				
Due to beneficiaries	<u>\$ 288</u>	<u>\$ 279</u>	<u>\$ 228</u>	<u>\$ 339</u>
Student Activity Funds				
Assets:				
Cash and cash equivalents	<u>\$ 289</u>	<u>\$ 670</u>	<u>\$ 579</u>	<u>\$ 380</u>
Liabilities:				
Due to beneficiaries	<u>\$ 289</u>	<u>\$ 670</u>	<u>\$ 579</u>	<u>\$ 380</u>
Downtown District				
Assets:				
Cash and cash equivalents	<u>\$ 13</u>	<u>\$ 215</u>	<u>\$ 217</u>	<u>\$ 11</u>
Liabilities:				
Due to beneficiaries and others	<u>\$ 13</u>	<u>\$ 215</u>	<u>\$ 217</u>	<u>\$ 11</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 362	\$ 1,164	\$ 796	\$ 730
Investments	<u>228</u>	<u></u>	<u>228</u>	<u>-</u>
Total	<u>\$ 590</u>	<u>\$ 1,164</u>	<u>\$ 1,024</u>	<u>\$ 730</u>
Liabilities:				
Due to beneficiaries	<u>\$ 590</u>	<u>\$ 1,164</u>	<u>\$ 1,024</u>	<u>\$ 730</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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Invested in capital assets, net of related debt	\$ 138,868	\$ 125,383	\$ 151,122	\$ 147,800	\$ 137,210	\$ 153,258	\$ 152,453	\$ 147,314	\$ 121,481	\$ 103,955
Restricted	3,311	2,855	8,281	8,109	2,883	2,483	2,381	2,714	2,734	2,687
Unrestricted	(94,349)	(25,437)	(42,371)	(47,512)	(27,443)	(50,521)	(54,702)	(43,784)	(32,020)	(27,256)
Total governmental activities net assets	47,830	102,801	117,032	108,397	112,650	105,220	100,132	106,244	92,195	79,386
Business-type activities:										
Invested in capital assets, net of related debt	41,387	41,058	39,737	39,381	27,883	27,181	26,456	25,400	25,320	23,391
Unrestricted	7,901	6,415	11,171	11,550	20,425	24,519	23,623	20,523	17,705	18,377
Total business-type activities net assets	49,288	47,473	50,908	50,931	48,308	51,700	50,079	45,923	43,025	41,768
Primary government:										
Invested in capital assets, net of related debt	180,255	166,441	190,859	187,181	165,093	180,439	178,909	172,714	146,801	127,346
Restricted	3,311	2,855	8,281	8,109	2,883	2,483	2,381	2,714	2,734	2,687
Unrestricted	(86,448)	(19,022)	(31,200)	(35,962)	(7,018)	(26,002)	(31,079)	(23,261)	(14,315)	(8,879)
Total Primary Government Net Assets	\$ 97,118	\$ 150,274	\$ 167,940	\$ 159,328	\$ 160,958	\$ 156,920	\$ 150,211	\$ 152,167	\$ 135,220	\$ 121,154

Notes:

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

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental activities:										
General government	\$ 3,687	\$ 15,087	\$ 11,539	\$ 12,124	\$ 12,083	\$ 8,596	\$ 13,414	\$ 12,547	\$ 12,165	\$ 8,041
Public safety	56,019	50,893	42,461	45,290	41,086	40,102	36,142	33,466	33,434	37,152
Public works	28,358	31,236	26,025	20,309	23,171	25,668	26,500	10,436	22,746	20,445
Health and welfare	6,605	6,633	6,188	6,574	8,225	8,643	8,763	8,707	6,786	8,373
Parks, recreation and libraries	15,804	13,304	10,647	13,077	11,462	11,348	12,249	9,275	10,097	11,609
Education	182,914	185,208	168,740	164,084	173,807	163,027	159,235	204,322	146,783	143,287
Interest on long-term debt	26,172	11,386	11,553	14,052	10,907	10,036	10,813	10,032	11,876	10,568
Total governmental activities expenses	<u>319,559</u>	<u>313,747</u>	<u>277,153</u>	<u>275,510</u>	<u>280,741</u>	<u>267,420</u>	<u>267,116</u>	<u>288,785</u>	<u>243,887</u>	<u>239,475</u>
Business-type activities:										
Water	8,922	5,176	11,242	10,236	10,432	10,560	9,034	11,048	11,034	9,309
Total Primary Government Expenses	<u>\$ 328,481</u>	<u>\$ 318,923</u>	<u>\$ 288,395</u>	<u>\$ 285,746</u>	<u>\$ 291,173</u>	<u>\$ 277,980</u>	<u>\$ 276,150</u>	<u>\$ 299,833</u>	<u>\$ 254,921</u>	<u>\$ 248,784</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,594	\$ 1,586	\$ 788	\$ 1,632	\$ 969	\$ 1,209	\$ 1,376	\$ 1,488	\$ 2,057	\$ 4,694
Public safety	3,185	4,207	4,202	3,810	2,140	2,593	2,743	3,125	2,916	2,362
Public works	12,943	13,385	12,697	11,820	12,818	12,387	10,240	12,111	8,011	10,449
Health and welfare	712	684	837	877	96	450	1,921	684	179	928
Parks, recreation and libraries	2,820	2,553	2,655	3,057	2,667	3,085	2,872	3,043	2,718	2,677
Education	943	744	596	507	777	1,586	5,835	1,791	2,546	3,980
Nondepartmental fixed charges										
Interest on long-term debt										
Operating grants and contributions	139,486	139,955	131,215	122,717	135,289	129,213	119,868	164,686	113,388	115,998
Capital grants and contributions	7,737	5,619	1,984	2,632	2,080	1,248	25	30	2,193	1,094
Total governmental activities program revenues	<u>169,420</u>	<u>168,733</u>	<u>154,974</u>	<u>147,052</u>	<u>156,836</u>	<u>151,771</u>	<u>144,880</u>	<u>186,958</u>	<u>134,008</u>	<u>142,182</u>
Business-type activities:										
Charges for services	11,734	10,498	12,472	12,840	12,012	12,394	13,055	13,946	11,616	14,433
Capital grants and contributions										
Total business-type activities revenues	<u>11,734</u>	<u>10,498</u>	<u>12,472</u>	<u>12,840</u>	<u>12,012</u>	<u>12,394</u>	<u>13,055</u>	<u>13,946</u>	<u>11,616</u>	<u>14,433</u>
Total Primary Government Program Revenues	<u>\$ 181,154</u>	<u>\$ 179,231</u>	<u>\$ 167,446</u>	<u>\$ 159,892</u>	<u>\$ 168,848</u>	<u>\$ 164,165</u>	<u>\$ 157,935</u>	<u>\$ 200,904</u>	<u>\$ 145,624</u>	<u>\$ 156,615</u>
Net (Expense) Revenue:										
Governmental activities	\$ (150,139)	(145,014)	(122,179)	(128,458)	(123,905)	\$ (115,649)	\$ (122,236)	\$ (101,827)	\$ (109,879)	\$ (97,293)
Business-type activities	2,812	5,322	1,230	2,604	1,580	1,834	4,021	2,898	582	5,124
Total Primary Government Net Expense	<u>\$ (147,327)</u>	<u>(139,692)</u>	<u>(120,949)</u>	<u>(125,854)</u>	<u>(122,325)</u>	<u>(113,815)</u>	<u>(118,215)</u>	<u>(98,929)</u>	<u>(109,297)</u>	<u>(92,169)</u>

(Continued on next page)

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	\$ 121,333	\$ 108,112	\$ 112,865	\$ 106,069	\$ 108,741	\$ 104,280	\$ 105,220	\$ 96,133	\$ 97,941	\$ 95,192
Grants and contributions not restricted to specific purposes	10,974	11,105	10,184	11,024	10,557	11,177	10,889	14,897	17,292	14,603
Unrestricted investment earnings	1,016	3,562	2,092	870	6,070	4,249	(600)	1,150	6,289	4,437
Transfer			1,263		5,000	263		3,000		
Miscellaneous	1,947	1,341	4,410	3,654	967	768	615	696	1,166	202
Total governmental activities	<u>135,270</u>	<u>124,120</u>	<u>130,814</u>	<u>121,617</u>	<u>131,335</u>	<u>120,737</u>	<u>116,124</u>	<u>115,876</u>	<u>122,688</u>	<u>114,434</u>
Business-type activities:										
Unrestricted investment earnings	3	9	10	19	28	50	135		675	579
Transfer			(1,263)		(5,000)	(263)				(5)
Total business-type activities	<u>3</u>	<u>9</u>	<u>(1,253)</u>	<u>19</u>	<u>(4,972)</u>	<u>(213)</u>	<u>135</u>	<u>-</u>	<u>675</u>	<u>574</u>
Total Primary Government	<u>\$ 135,273</u>	<u>\$ 124,129</u>	<u>\$ 129,561</u>	<u>\$ 121,636</u>	<u>\$ 126,363</u>	<u>\$ 120,524</u>	<u>\$ 116,259</u>	<u>\$ 115,876</u>	<u>\$ 123,363</u>	<u>\$ 115,008</u>
Changes in Net Position:										
Governmental activities	\$ (13,869)	\$ (14,231)	\$ 8,635	\$ (6,841)	\$ 7,430	\$ 5,088	\$ (6,112)	\$ 14,049	\$ 12,809	\$ 17,141
Business-type activities	<u>1,815</u>	<u>(1,332)</u>	<u>(23)</u>	<u>2,623</u>	<u>(3,392)</u>	<u>1,621</u>	<u>4,156</u>	<u>2,898</u>	<u>1,257</u>	<u>5,698</u>
Total Primary Government	<u>\$ (12,054)</u>	<u>\$ (15,563)</u>	<u>\$ 8,612</u>	<u>\$ (4,218)</u>	<u>\$ 4,038</u>	<u>\$ 6,709</u>	<u>\$ (1,956)</u>	<u>\$ 16,947</u>	<u>\$ 14,066</u>	<u>\$ 22,839</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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$ 1,372	\$ 2,803	\$ 3,661	\$ 1,861	\$ 2,990
Unreserved						7,655	7,212	9,479	8,996	8,980
Committed					5					
Assigned				41	379					
Unassigned	<u>11,277</u>	<u>4,965</u>	<u>12,595</u>	<u>12,159</u>	<u>11,663</u>					
Total General Fund	<u>\$ 11,277</u>	<u>\$ 4,965</u>	<u>\$ 12,595</u>	<u>\$ 12,200</u>	<u>\$ 12,047</u>	<u>\$ 9,027</u>	<u>\$ 10,015</u>	<u>\$ 13,140</u>	<u>\$ 10,857</u>	<u>\$ 11,970</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$ 2,489	\$ 15,123	\$ 16,586	\$ 17,964	\$ 9,144
Unreserved, reported in:										
Special revenue funds						6,333	7,335	11,640	14,288	13,532
Capital projects funds						(31,257)	(42,841)	(36,667)	(31,895)	(21,132)
Nonspendable	3,212	3,095	2,038	2,890	2,883					
Restricted	14,969	10,102	6,573	5,464	5,697					
Committed	2,827	1,796	1,138	898	2,331					
Assigned				41						
Unassigned	<u>(40,755)</u>	<u>(36,955)</u>	<u>(2,092)</u>	<u>(6,293)</u>	<u>(14,758)</u>					
Total All Other Governmental Funds	<u>\$ (19,747)</u>	<u>\$ (21,962)</u>	<u>\$ 7,657</u>	<u>\$ 3,000</u>	<u>\$ (3,847)</u>	<u>\$ (22,435)</u>	<u>\$ (20,383)</u>	<u>\$ (8,441)</u>	<u>\$ 357</u>	<u>\$ 1,544</u>

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Property taxes	\$ 119,390	108,353	\$ 114,381	\$ 110,013	\$ 106,904	\$ 103,052	\$ 104,141	\$ 95,447	\$ 96,757	\$ 95,175
Intergovernmental	154,502	157,325	148,476	137,303	150,216	141,888	134,838	179,853	136,003	134,949
Licenses, fees and charges for goods and services	20,312	23,803	21,494	21,632	19,529	21,010	18,861	20,641	18,155	18,927
Income on investments	192	774	618	308	3,504	2,843	263	778	4,180	4,065
Miscellaneous	5,793	1,904	4,410	3,654	1,123	3,135	3,263	8,029	3,343	2,401
Total revenues	<u>300,189</u>	<u>292,159</u>	<u>289,379</u>	<u>272,910</u>	<u>281,276</u>	<u>271,928</u>	<u>261,366</u>	<u>304,748</u>	<u>258,438</u>	<u>255,517</u>
Expenditures:										
General government	5,792	5,574	10,057	11,027	7,012	6,559	5,603	5,128	4,935	7,151
Public safety	33,478	32,834	41,442	43,589	40,696	39,852	34,405	34,448	33,183	36,118
Public works	18,587	21,794	19,237	23,536	21,998	33,515	36,106	18,294	19,324	17,518
Social services	5,709	4,524	6,181	6,584	8,187	8,666	9,262	8,655	6,966	8,325
Education	180,080	177,987	164,743	160,477	168,532	161,745	159,487	198,898	145,231	141,081
Parks and recreation	10,135	8,822	10,064	12,569	10,918	10,852	10,988	10,291	10,397	10,873
Other					1,194					
Capital outlay	39,041	25,558	24,125	30,378	16,971	581	1,127	23,585	23,549	22,711
Debt service interest	16,885	29,803	11,680	9,433	10,083	10,631	11,510	11,014	10,721	10,623
Debt service principal	16,580	16,580	17,925	22,384	15,024	15,507	14,836	14,360	14,764	14,218
Total expenditures	<u>326,287</u>	<u>323,476</u>	<u>305,454</u>	<u>319,977</u>	<u>300,615</u>	<u>287,908</u>	<u>283,324</u>	<u>324,673</u>	<u>269,070</u>	<u>268,618</u>
Excess of Revenue Under Expenditures	<u>(26,098)</u>	<u>(31,317)</u>	<u>(16,075)</u>	<u>(47,067)</u>	<u>(19,339)</u>	<u>(15,980)</u>	<u>(21,958)</u>	<u>(19,925)</u>	<u>(10,632)</u>	<u>(13,101)</u>
Other Financing Sources (Uses):										
Transfers in	2,053	11,750	6,407	11,765	6,954	29,785	27,185	31,959	31,409	36,507
Transfers out	(1,053)	(5,087)	(5,144)	(1,269)	(1,954)	(29,522)	(34,216)	(33,412)	(37,604)	(32,397)
Premiums	4,794		244		1,011	963				
Proceeds from the issuance of bonds and notes	79,300		19,225	34,441	36,840	11,715	13,922	14,863	14,527	19,453
Payment to refund bond escrow agent	<u>(50,581)</u>				<u>(1,904)</u>					
Total other financing sources (uses)	<u>34,513</u>	<u>6,663</u>	<u>20,732</u>	<u>44,937</u>	<u>40,947</u>	<u>12,941</u>	<u>6,891</u>	<u>13,410</u>	<u>8,332</u>	<u>23,563</u>
Net Change in Fund Balances	<u>\$ 8,415</u>	<u>(24,654)</u>	<u>\$ 4,657</u>	<u>\$ (2,130)</u>	<u>\$ 21,608</u>	<u>\$ (3,039)</u>	<u>\$ (15,067)</u>	<u>\$ (6,515)</u>	<u>\$ (2,300)</u>	<u>\$ 10,462</u>
Debt Service as a Percentage of Noncapital Expenditures	12.7%	15.5%	11.8%	12.3%	9.8%	9.5%	10.3%	8.7%	10.4%	10.1%

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									
2015	\$ 1,454,112,610	\$ 1,554,791,310	\$ 94,988,420	\$ 233,843,033	\$ 269,962,738	\$ 1,057,820,460	\$ 2,549,887,651	\$ 429,399	\$ 2,549,458,252	49.00	\$ 3,642,083,217	70 %
2014	1,442,331,690	1,527,554,750	96,517,900	232,308,663	269,408,233	1,017,141,130	2,550,980,106	8,931,154	2,542,048,952	44.12	3,631,498,502	70
2013	1,886,545,695	1,610,643,885	104,931,570	225,067,185	265,203,698	1,143,311,947	2,949,080,086	366,513	2,948,713,573	36.63	4,212,447,961	70
2012	1,883,538,775	1,603,446,415	104,355,610	216,493,256	254,028,138	1,139,138,023	2,922,724,171	1,880,214	2,920,843,957	36.63	4,172,634,224	70
2011	1,878,503,435	1,594,077,555	104,608,140	211,674,863	251,888,903	1,127,364,436	2,913,388,460	405,687	2,912,982,773	36.63	4,161,403,961	70
2010	1,877,395,685	1,602,228,125	103,697,510	211,468,835	244,060,703	1,116,731,072	2,922,119,786	2,443,051	2,919,676,735	34.98	4,170,966,764	70
2009	1,871,914,475	1,634,241,985	95,297,940	198,383,811	251,565,967	1,088,448,853	2,962,955,325	19,664,862	2,943,290,463	34.98	4,204,700,661	70
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

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

The City of New Britain has no overlapping property tax rates

CITY OF NEW BRITAIN, CONNECTICUT
 PRINCIPAL PROPERTY TAXPAYERS
 2013 AND 2004

TAXPAYER	October 1, 2013			TAXPAYER	October 1, 2004		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE		TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
CT Light & Power	\$ 58,862,505	1	2.31%	Stanley Works	\$ 35,295,861	1	1.72%
Pebblebrook Apartments LLC	19,675,530	2	0.77%	CT Light and Power	25,185,011	2	1.23%
StanleyBlack & Decker Inc	17,007,850	3	0.67%	Brittany Farms Assoc.	17,910,690	3	0.87%
Corbin-Pinnacle LLC	15,246,497	4	0.60%	CPS Properties	13,604,640	4	0.66%
Conn Natural Gas Corp	12,860,707	5	0.50%	Creed Monarch	12,448,746	5	0.61%
Investment Associates LTP	11,477,407	6	0.45%	Inland Southeast New Britain LLC	11,824,680	6	0.58%
Inland Southeast NB LLC	9,852,570	7	0.39%	NB-BTMC LLC	11,459,070	7	0.56%
NB-BTMC, LLC (Target)	9,800,000	8	0.38%	CT Natural Gas Corp	11,325,450	8	0.55%
Farmington Hills 06 LLC	9,376,918	9	0.37%	Investment Associates	8,778,000	9	0.43%
Paramount Plaza at New Brite LLC	9,239,650	10	0.36%	HSC Community Services	8,332,590	10	0.41%
	<u>\$ 173,399,634</u>		<u>6.80%</u>		<u>\$ 156,164,738</u>		<u>7.62%</u>

**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
2015	49.00	\$ 120,101	\$ 115,575	96.23 %	\$ N/A	\$ 115,575	96.23 %
2014	44.12	106,331	103,465	97.30	N/A	104,819	96.58
2013	36.63	106,630	104,180	97.70	N/A	105,798	99.22
2012	36.63	107,582	103,302	96.02	1,995	106,875	99.34
2011	36.63	107,141	102,722	95.88	2,360	106,544	99.44
2010	34.98	102,274	98,267	96.08	2,699	101,734	99.47
2009	34.98	103,153	98,983	95.72	3,290	102,616	99.48
2008	45.40	95,749	91,654	95.72	3,221	95,066	99.29
2007	45.88	95,916	92,550	96.49	2,629	95,300	99.36
2006	45.89	94,516	91,538	96.85	2,391	93,975	99.43

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	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	Water				
2015	\$ 248,334	\$ -	\$ 16,085	\$ 264,419	6.82 %	8.51 %	\$ 3,396
2014	210,533	-	17,919	228,452	5.80	7.23	2,882
2013	227,415	-	19,754	247,169	5.40	7.32	3,059
2012	220,634	-	26,366	247,000	5.15	6.91	2,891
2011	198,147	-	34,336	232,483	4.76	7.50	2,823
2010	178,571	-	36,573	215,144	4.28	5.98	2,556
2009	181,951	-	38,822	220,773	4.33	6.12	2,593
2008	183,802	-	41,076	224,878	6.16	0.06	2,539
2007	182,985	-	42,743	225,728	6.17	6.16	2,528
2006	183,966	-	44,577	228,543	6.26	6.24	2,561

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, 2015
(In Thousands)**

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2015	\$ 119,436 *
Reimbursement for revenue loss (year ended June 30, 2015): Freeze program	<u>443</u>
BASE for Debt Limitation Computation	<u>\$ 119,879</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	\$ 269,728	\$	\$	\$	\$
4-1/2 times base		539,456			
3-3/4 times base			449,546		
3-1/4 times base				389,607	
3 times base					359,637
Total debt limitation	<u>269,728</u>	<u>539,456</u>	<u>449,546</u>	<u>389,607</u>	<u>359,637</u>
Indebtedness:					
Bonds payable	217,100	27,809			
Notes payable	25,657	8,343	3,425		
Overlapping debt			33,417		
Bonds authorized - unissued	<u>29,437</u>	<u>28,131</u>	<u>10,902</u>		
Total indebtedness	<u>272,194</u>	<u>64,283</u>	<u>47,744</u>	<u>-</u>	<u>-</u>
Less self-liquidating indebtedness:					
Statutory exclusion-pension obligation bond	84,040				
School construction grants		<u>959</u>			
Total self-liquidating indebtedness	<u>84,040</u>	<u>959</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness less self-liquidating indebtedness	<u>188,154</u>	<u>63,324</u>	<u>47,744</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 81,574</u>	<u>\$ 476,132</u>	<u>\$ 401,802</u>	<u>\$ 389,607</u>	<u>\$ 359,637</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation - \$839,153

*Budgetary basis

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limitation	\$ 839,153	\$ 763,280	\$ 796,372	\$ 764,726	\$ 761,802	\$ 722,176	\$ 740,202	\$ 681,645	\$ 688,226	\$ 677,215
Total net debt applicable to limit	299,222	331,956	316,193	339,738	297,519	289,278	269,466	256,823	193,391	183,749
Legal debt margin	\$ <u>539,931</u>	\$ <u>431,324</u>	\$ <u>480,179</u>	\$ <u>424,988</u>	\$ <u>464,283</u>	\$ <u>432,898</u>	\$ <u>470,736</u>	\$ <u>424,822</u>	\$ <u>494,835</u>	\$ <u>493,466</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>35.66%</u>	<u>43.49%</u>	<u>39.70%</u>	<u>44.43%</u>	<u>39.05%</u>	<u>40.06%</u>	<u>36.40%</u>	<u>37.68%</u>	<u>28.10%</u>	<u>27.13%</u>

Source: Comprehensive Annual Financial Reports - Schedule of Debt Limitation

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

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

Calendar Year	Population (1)	Personal Income (1)	Per Capita Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2015	73,122	\$ 2,917,421,556	\$ 39,898	33.0	10,017	7.70 %
2014	73,055	2,910,365,090	20,655	33.0	10,053	8.90
2013	74,348	3,108,564,228	20,601	42.0	10,324	11.30
2012	74,348	3,108,564,228	20,601	42.0	9,977	11.80
2011	70,185	2,640,991,365	23,557	35.0	10,400	13.20
2010	69,860	2,987,143,740	23,557	35.0	10,405	12.40
2009	70,181	2,975,042,771	20,907	35.0	10,203	11.50
2008	72,395	2,972,249,120	20,907	35.0	10,344	8.10
2007	72,395	2,972,249,120	20,907	35.0	10,654	7.50
2006	71,840	2,949,463,040	23,379	33.9	10,950	7.70

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

(2) Source: Consolidated School District of New Britain

(3) Source: CT Dept. of Labor

**CITY OF NEW BRITAIN, CONNECTICUT
PRINCIPAL EMPLOYERS
2015 AND 2006**

2015					2006				
EMPLOYER	NATURE OF BUSINESS	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYER	NATURE OF BUSINESS	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Hospital of Central CT	Hospital	2,374	1	7.27%	New Britain General Hospital	Hospital	2,300	1	7.31%
City of New Britain	Municipality	1,779	2	5.45%	City of New Britain	Municipality	1,975	2	6.28%
State of CT	Government	1,095	3	3.36%	Central CT State University	University	1,512	3	4.81%
Hospital for Special Care	Hospital	1,080	4	3.31%	The Hospital for Special Care	Hospital	1,370	4	4.36%
Stanley-Black & Decker	Manufacturing	910	5	2.79%	Tilcon CT	Construction	920	5	2.93%
Tilcon CT	Construction	553	6	1.69%	State of CT	Government	900	6	2.86%
Webster Bank	Banking	524	7	1.61%	The Stanley Works	Manufacturing	700	7	2.23%
Grove Hill Medical Center	Health Care	495	8	1.52%	Grove Hill Medical Center	Health Care	440	8	1.40%
Dattco	Transportation	478	9	1.46%	Dattco	Transportation	379	9	1.21%
Creed Monarch	Manufacturing	280	10	0.86%	TD Banknorth, N.A., CT	Banking	375	10	1.19%
		<u>9,568</u>		<u>27.78%</u>			<u>10,871</u>		<u>34.56%</u>
Total Employment		<u>34,441</u>					<u>31,445</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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Administration, financial and other	112	112	98	119	123	124	132	132	100	108
Police	182	182	157	162	151	165	172	173	173	151
Fire	132	132	137	152	153	154	158	156	145	135
Health and welfare	10	10	22	18	18	18	20	21	20	13
Parks and recreation	38	38	42	53	54	53	57	60	60	68
Public works, engineering, garage	43	43	50	62	63	63	74	70	71	77
Water	40	40	38	52	52	52	53	53	56	53
Education	<u>1,257</u>	<u>1,224</u>	<u>1,294</u>	<u>1,332</u>	<u>1,333</u>	<u>1,364</u>	<u>1,334</u>	<u>1,386</u>	<u>1,353</u>	<u>1,352</u>
Total	<u>1,814</u>	<u>1,781</u>	<u>1,838</u>	<u>1,950</u>	<u>1,947</u>	<u>1,993</u>	<u>2,000</u>	<u>2,051</u>	<u>1,978</u>	<u>1,957</u>

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

Function/Program	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Building permits issued	1,073	992	628	852	518	2,296	1,985	2,219	2,366	2,442
Building inspections conducted	857	1,026	1,131	1,804	1,101	4,631	4,210	4,373	3,865	4,483
Police:										
Calls for service	83,389	74,295	32,701	43,233	45,494	46,776	51,989	54,432	56,885	59,646
Physical arrests	5,542	4,341	4,230	5,307	6,188	7,021	6,803	6,868	6,161	6,828
Parking violations	12,626	12,915	16,963	13,197	15,049	14,498	18,436	20,621	22,059	26,367
Traffic violations	5,532	4,243	2,103	3,054	4,410	3,315	4,322	4,685	5,422	6,997
Fire:										
Emergency responses	6,350	6,047	6,542	6,286	6,604	6,624	6,871	6,832	6,929	6,320
Fires extinguished	463	404	241	280	284	297	291	522	565	279
Inspections	292	207	226	295	305	302	288	537	351	312
Refuse collection:										
Refuse collected (tons per day)	122	157	161	165	168	177	178	170	186	193
Recyclables collected (tons per day)	16	16	16	17	14	9	10	13	12	11
Other public works:										
Street resurfacing (miles)	10	10	9	8	5	7	12	19	15	9
Potholes repaired	N/A	N/A	N/A	N/A	N/A	N/A	1,406	N/A	N/A	N/A
Parks and recreation:										
Athletic field permits issued	3,123	2,820	3,110	3,176	3,373	3,300	3,763	2,918	4,958	2,597
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	242,255	234,883	230,497	225,581	213,907	220,384	220,974	223,056	231,214	246,891
Total volumes borrowed	261,727	361,682	405,206	408,167	394,456	415,416	394,883	399,119	373,557	312,662
Water:										
New connections	6	-	11	4	5	405	151	196	60	94
Water main breaks	35	13	20	9	21	18	31	25	28	16
Average daily consumption (thousands of gallons)	9,301	9,056	8,830	8,887	9,140	8,755	9,050	10,103	10,100	10,000
Peak daily consumption (thousands of gallons)	11,817	12,659	11,640	12,722	13,424	16,660	11,800	17,900	14,410	12,745
Wastewater:										
Average daily sewage treatment (thousands of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transit:										
Total route miles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Passengers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 15

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

Function/Program	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	2	2	2	2	3	3
Patrol units	37	38	30	32	32	30	30	30	30	30
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	11	11	10	10	10	10	9	7	17	17
Other public works:										
Streets (miles)	185	185	185	163	163	163	163	163	163	163
Highways (miles)	15	15	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	71	71	71	71	70
Parks and recreation:										
Acreage	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	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)	248	248	248	247	247	269	269	269	269	269
Fire hydrants	1,864	1,863	1,863	1,851	1,887	1,852	1,992	1,988	1,977	1,991
Storage capacity (thousands of gallons)	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,857,800	2,742,921	2,857,800	2,858,700	2,742,921
Wastewater:										
Sanitary sewers (miles)	179	179	179	179	179	179	179	187	180	180
Storm sewers (miles)	154	154	154	153	153	153	153	171	152	152