

CITY OF NEW BRITAIN



Office of the Mayor

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New Britain Audit Confirms FY 14-15 Fiscal Surplus of \$14.9 million

NEW BRITAIN—Mayor Erin E. Stewart announced today the release of New Britain’s 2014-2015 fiscal year audit, which confirms that the city ended the FY 14-15 with a \$14.9 million surplus.

“This audit is confirmation of the vast financial changes we are making to the city. Since taking office in 2013, I have supported common sense budgeting controls and have greatly reduced our operating expenses by closely watching our spending and doing more with less,” **said Mayor Stewart.**

According to the audit, which was performed by Blum Shapiro, the city had total revenues of \$232 million and total expenditures of \$228 million during the period from July 1, 2014 to June 30, 2015. During that time, the fund balance climbed to just over \$10 million, (a combination of less spending and transfers in from existing fund balance) resulting in a yearly surplus totaling approximately \$14.9 million.

Several items have helped to improve New Britain’s financial footing, including the implementation of cost-saving measures like solar arrays, the restructuring of debt, scrutinizing spending at City Hall, working with labor unions and employees to negotiate savings, and other measures.

“We are on a path to sound fiscal stability,” **said Stewart.** “Our credit rating was upgraded early last year and we are well on our way to restoring our rainy day fund. These are all factors that position New Britain for continued economic expansion and an improved financial future. Businesses want to invest in cities that have a strong economic outlook.”

Stewart added, “We are stable and managing, but we are not on auto pilot just yet. To get where we are today has required sustained fiscal restraint, careful budgeting, aggressive economic development efforts, and an understanding from residents and city employees that everyone is in this together for the wellbeing of our city.”

The audit was finalized on Dec. 15th, which is the earliest the city has completed an audit in recent years. Blum Shapiro has performed the city’s audit for more than a decade.

Major credit rating agencies, like Standard and Poor’s, closely monitor municipalities’ long term debt and recommend that cities and towns maintain the equivalent of 5 percent of their operating budgets as a fund balance. New Britain is maintaining that and more in an effort to follow a Finance Department policy that was approved by the Common Council in 2007 that specifies that the city should maintain a fund balance in an amount of at least 5 percent of the General Fund.

In January 2015, Standard and Poor’s validated the city’s financial recovery efforts and raised the city’s credit rating three notches to “BBB+” with a stable outlook.

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