

City of Bristol Connecticut



**Comprehensive Annual Financial Report
Fiscal Year Ending June 30, 2016**

Comprehensive Annual Financial Report

of the City of Bristol, Connecticut

*Fiscal Year
July 1, 2015 to June 30, 2016*

PREPARED BY:

Comptroller's Office

Glenn S. Klocko
Comptroller

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Introductory Section

CITY OF BRISTOL, CONNECTICUT
For Fiscal Year Ended June 30, 2016

PRINCIPAL OFFICIALS

CITY COUNCIL

Ken Cockayne, Mayor
Anthony E. D'Amato, Council Member
Calvin Brown, Council Member
Jodi Zils Gagne, Council Member
Mary Fortier, Council Member
Dave Mills, Council Member
David J. Preleski, Council Member

BOARD OF FINANCE

Ken Cockayne, Mayor
Cheryl Thibeault, Chairperson
John E. Smith, Vice Chairman
Ron Burns, Commissioner
Orlando Calfe, Commissioner
Jake Carrier, Commissioner
Derek Czenczelewski, Commissioner
Michael Fiorini, Commissioner
Michael LaMothe, Commissioner

ADMINISTRATION

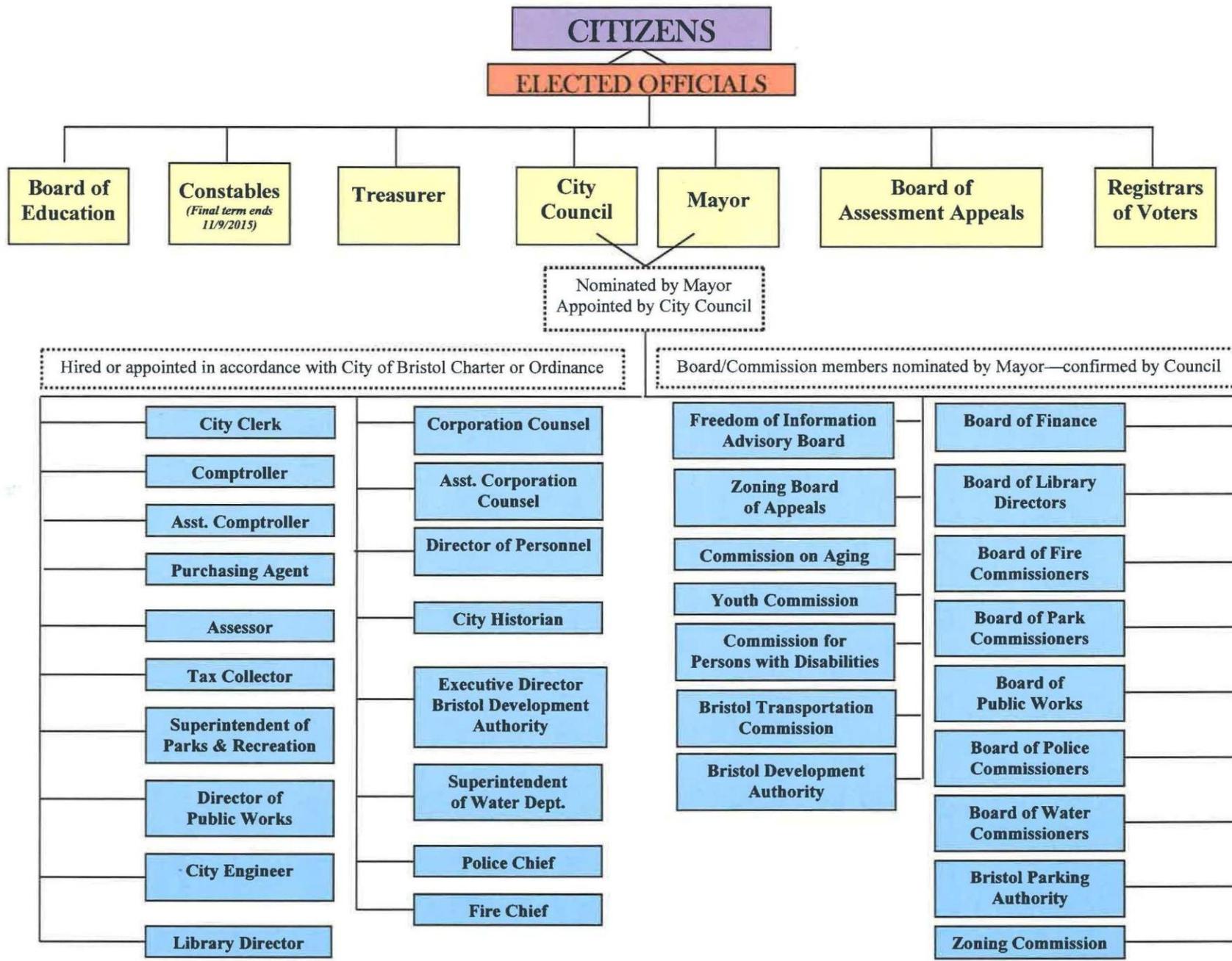
Registrar of Voters – Democrat
Registrar of Voters – Republican
Assessor
Tax Collector
Purchasing Agent
Comptroller
Assistant Comptroller
Treasurer
Personnel Director
Corporation Counsel
Town and City Clerk
Commission on Aging, Director
Director of Youth & Community Services
City Planner
Planning Secretary and City Engineer
Zoning Enforcement Officer
Police Chief
Fire Chief
Emergency Management Director
Chief Building Official
Director of Public Works
Assistant Director PWWPC Manager
Bristol/Burlington Health District
Library Director
Superintendent of Parks and Recreation
Bristol Development Authority Director
Bristol Water Department Superintendent
Superintendent of Schools
Deputy Superintendent of Schools

Kevin McCauley
Sharon Krawiecki
Thomas DeNoto
Teresa Babon
Roger Rousseau
Glenn S. Klocko
Robin Manuele
Thomas O. Barnes, Jr.
Diane Ferguson
Edward C. Krawiecki, Jr.
Therese Pac
Patricia Tomascak
Eileen McNulty
Alan L. Weiner
Paul A. Strawderman
Monica L. Holloway
Brian Gould
Jay Kolakoski
Harland Graime
Guy Morin
Walter E. Veselka, III
Brian Fowkes
Charles Motes, Jr.
Deborah Prozzo
Edward J. Swicklas
Justin Malley
Robert Longo
Ellen Solek, Ph.D.
Susan Kalt Moreau, Ph.D.

BOARD OF EDUCATION

Christopher C. Wilson, Chairman
Karen L. Vibert, Vice Chairperson
Jeff Caggiano
Jennifer Dube
Jill T. Fitzgerald
Joe P. Grabowski
Karen Hintz

Thomas O'Brien
David Scott, Jr.
Tina Marie Taylor





City of Bristol

BRISTOL, CONNECTICUT 06010

December 23, 2016

To the Honorable Mayor, Members of the City Council, Members of the Board of Finance and Citizens of the City of Bristol:

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. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

RSM US LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Bristol’s financial statements for the year ended June 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Bristol, incorporated in 1911, is located in the west central part of the state, once considered the clock making, ball bearing, and lock manufacturing capital of the United States. The City remains proud of its industrial heritage. The City seal continues to maintain this history by depicting the hands of a Clock. The City occupies 26 square miles and serves a population of approximately 60,000. The City of Bristol is empowered to levy a property tax on both real and personal property and also on motor vehicles.

The City has operated under the mayor-council form of government since inception. Policy making and legislative authority is vested in the governing council (Council) consisting of the mayor and six other members, all elected on a non-partisan basis. Council members serve two-year terms. The mayor is elected for a two-year term. The mayor is elected at large and council members are elected by district.

The City of Bristol provides a full range of services, including schools, police and fire protection; the construction and maintenance of highways, streets and other infrastructure; recreational activities and cultural events; and sanitation services. Certain health services are provided through a legally separate Bristol Burlington Health District and water services are provided through a legally separate Bristol Water Department which functions, in essence, as departments of the City of Bristol and therefore have been included as an integral part of the City of Bristol’s financial statements. Additional information on all these legally separate entities can be found in the notes to the financial statements (See Note 1A).

“An Equal Opportunity Employer”

The Joint Board of the Board of Finance and City Council are required to adopt a final budget by no later than the third Monday in May. This budget serves as the foundation for the City of Bristol's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The Board of Finance has the power to approve budget revisions during the year up to \$5,000. Revisions in excess of \$5,000 require Joint Board approval.

NATIONAL, STATE & LOCAL ECONOMY

Fitch Ratings upgraded its rating for Bristol from AA+ to AAA in October 2016. Fitch sited Bristol as a suburban City located 20 miles southwest of the state capital city of Hartford with a broad based economy anchored by ESPN, which employs more than 4,000 people. Personal income levels mirror the nation as a whole but are below the level of the state. The City has varied manufacturing and industrial sectors that adds to the relative stability of the local economy. Major industries with headquarters or divisions located within the government's boundaries include ESPN, the nation's first and largest all-sports television network. The ESPN worldwide headquarters remains our largest taxpayer, accounting for 6% of total property assessed valuation. ESPN's growth in Bristol is assured by on-going development of an acquisition of 20 adjoining acres. Their newest digital center, comprises over 193,000 square feet of office space and four technologically advanced production studios. The city continues to be a leader in manufacturing, producing a wide variety of precision-crafted goods such as tin ware, bells, coaster brakes, hard wares, clocks, screw machine products, electronic items, timing devices, and robotic-based automation systems. Specialty manufacturers produce for a diverse array of industries, including medical devices, surgical equipment, aerospace, and automobile items. The City also benefits from upcoming construction of a 120,000 square foot downtown medical facility by Bristol Hospital.

UNEMPLOYMENT. Connecticut's average unemployment rate for the fiscal year decreased from 6.24% in 2015 to 6.29% in 2016 while Bristol unemployment remained constant at 6.98% versus 6.98% a year ago. Income per capita in Bristol is 10% higher than the national average and the poverty level in Bristol is 38% lower than the national average. Household income is 13% higher than the national average at \$60,208.

As a result of a state enterprise zone established in downtown Bristol to promote additional development, renewed investment, and job opportunities, unemployment is expected to continue to lag behind the state average. Bristol's Technology Park employs over 1,600 individuals in 23 businesses.

The Southeast Bristol Business Park of approximately 51 acres has been acquired by the City on a site off a major route to and from the City (route 229). The infrastructure was jointly a funded project of the state and the City. The project is critical to Bristol's continued growth. The acreage will accommodate approximately 750,000 square feet of new industrial space. The Park construction is complete and open for occupancy. It already has three tenants and secured the sale of three more lots. In addition, a real estate development firm representing a large distributor has executed a real estate agreement for Lot 1, the largest building lot in the park and will complete construction on a 120,000 square foot distribution facility in early 2016.

LONG-TERM FINANCIAL PLANNING

Downtown revitalization remains a top priority for reasons of economic vitality and quality of life. The City is currently studying the proper mix of public and private improvements and investments. To kick start downtown revitalization, the City purchased a former mall site in March 2005, and the building was later demolished. As previously mentioned Bristol Hospital is building a 120,000 square foot medical center to consolidate its medical facilities throughout the City. A multi-level parking facility is also in planning stages of development. The re-use of the 17 acre site is a key component and opportunity for downtown revitalization. The eventual sale of the site, or portions of the site, could recoup a substantial portion of the purchase price, restart the income stream of taxes, and help spark renewed interest in surrounding downtown properties.

RELEVANT FINANCIAL POLICIES

The City has formally adopted key financial policies. Several years ago, a use of fund balance policy was established by the Board of Finance to (1) reduce the general fund's reliance on surplus to balance the budget, and (2) to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time emergency expenditures. The fund balance policy goal is to maintain general fund unassigned fund balance at 10-15% of budgeted operating revenues.

The City also adopted a debt policy to establish parameters and guidance for the Board to make decisions on capital spending and issuance of debt as a means to fund them.

In addition, several general financial policies guide the City in areas such as justification for new hires, travel reimbursement guidelines, sinking fund purchases for capital items, and addressing technology issues through a computer and related equipment lease replacement program. Fiscal policies are reviewed annually. There is a new Investment Policy adopted by the Board of Finance. These and other key financial policies may be found in the City's budget document behind the tab labeled 'Policy Initiatives'.

MAJOR INITIATIVES

Education entails the largest portion of the City's budget. Due to resource constraints, funding for education remained flat at \$106,836,650. This does not increase the State's minimum budget requirement (MBR), a state statute that mandates a Board of Education budget must be funded at a minimum at least to the prior year funding level.

Strategies used in balancing the 2015-2016 budget:

- Department Heads were asked to submit a budget between zero and one percent
- Minimal bonding of the Ten Year Capital Improvement Plan
- Continue to develop and implement fiscal policies to keep the City's bond rating strong
- Develop a plan to prioritize Capital spending in a way that spreads these costs over time to minimize the tax impact

Percentages

- Requests totaled \$190.3 million from the City side and Board of Education. This is an \$5.1 million increase over the current budget
- The Board of Education request increased \$3.38 million, this increase was reduced to zero
- General City requests increased by \$1.8 million or 2.28%

- The General Government increase was the largest this fiscal year at 6.21%. This increase is a composed of 23 different and mostly small departments
- The current mill rate is 34.61 mills. The Board of Finance approved a zero tax increase

AWARDS AND ACKNOWLEDGEMENTS

Comprehensive Annual Financial Report (CAFR):

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the thirtieth consecutive year, which the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

Popular Annual Financial Report (PAFR):

Also, the Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Bristol for its Popular Annual Financial Report for the fiscal year ended June 30, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This is the fifteenth year in a row the City of Bristol has received the Popular Annual Financial Reporting Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Distinguished Budget Presentation Awards Program:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City of Bristol the GFOA's Distinguished Budget Presentation Award for its budget. The award represents a significant achievement by the City of Bristol. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. This is the fourteenth consecutive time the City has received this award.

We commend our independent auditors, RSM US LLP, specifically Audit manager Lauren Davis for her expertise and patience in progressively guiding the City's staff through the required annual reporting updates and modifications.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Comptroller's Office, in particular, Assistant Comptroller Robin Manuele, Senior Accountant Skip Gillis and Assistant to the Comptroller, Jodi McGrane. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the governing council and Board of Finance for their

CITY
OF
BRISTOL

unfailing support for maintaining the highest standards of professionalism in the management of the City of Bristol's finances.

Respectfully submitted,



Glenn S. Klocko
Comptroller



Robin L. Manuele
Assistant Comptroller



Government Finance Officers Association

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

Presented to

**City of Bristol
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section



Independent Auditor's Report

RSM US LLP

To the Members of the City Council and the Board of Finance
City of Bristol, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut (the City) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Bristol'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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the City'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, each major fund, and the aggregate remaining fund information of the City of Bristol, Connecticut as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit as of and for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bristol, Connecticut's basic financial statements. The introductory section, combining and individual fund financial statements and other 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 fund financial statements and other 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 fund financial statements and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bristol, Connecticut, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 31, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The accompanying General Fund, Water, Enterprise Fund, Internal Sewer Fund and Pension Trust Funds schedules ("Schedules") as of June 30, 2015 are presented for purposes of additional analysis and are 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 2015 financial statements. The accompanying Schedules have been subjected to the auditing procedures applied in the audit of the 2015 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 Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2016 on our consideration of the City of Bristol, 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 Bristol, Connecticut's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 23, 2016

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**CITY OF BRISTOL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2016**

This discussion and analysis of the City of Bristol, Connecticut's (City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read this MD&A in conjunction with the transmittal letter beginning on page i and the City's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The City's total net position decreased by \$7.5 million. Net position of our business-type activities decreased by \$155 thousand, or .6%, and net position of our governmental activities decreased by \$7.4 million, or 1.4%. Decreases were primarily due to the aggregate depreciation of assets during the fiscal year and expenses exceeding actual revenues during the year.
- During the year, the City had expenses that were \$7.5 million more than the \$247.9 million generated in tax and other revenues for governmental programs and business activities. Expenses exceeding revenues were clearly a result of increased Education, General Government, Public Safety and Public Works expenses while actual revenues grew at lesser amounts than expenses.
- In the City's business-type activities, revenues decreased \$616 thousand or 7.7% while expenses increased by 4.4%. There was an increase in water expenses over prior year results.
- Total cost of all of the City's programs was \$255.5 million with no new programs added this year. This represents a \$24.1 million increase compared to fiscal year 2015. The increase represents, in part, increased budgetary appropriations for city-wide operations including education operations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28.7 million, or 14.2% of general fund expenditures and transfers out.
- The tax collection rate was 98.68% of the current levy and an increase to last year's rate of 98.47%.
- The City of Bristol's total bonded indebtedness including its Enterprise fund bonds decreased by \$4.2 million to \$63.4 million or 6.2% before payments during the current fiscal year. The decrease is the annual debt service payment. The City also "rolled over" (reissued) \$4.5 million in taxable general obligation bond anticipation notes originally issued in 2008.

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 Exhibit 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, are 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 non-financial 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 three types of activities:

- *Governmental activities* – Most of the City's basic services are reported here, including education, public safety, public works, health and welfare, libraries, parks and recreation, 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 operations are reported here.
- *Component units* – The City includes one separate legal entity in its report; the Bristol-Burlington Health District. Although legally separate, this "component unit" is important because the City is financially accountable for it.

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 (like the Capital Projects Fund and Debt Service Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the State Department of Education and the Federal Department of Housing and Public Administration. The City's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental funds (Exhibit 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 at the bottom of the fund financial statements.
- *Proprietary funds (Exhibit V through 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 fund (a component of proprietary funds) is 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 Health Benefit and Workers' Compensation Internal Service Fund.
- *Fiduciary funds (Exhibit VIII and IX)* – The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other post employee benefit 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 decreased from a year ago from \$565 million to \$557 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

TABLE 1
SUMMARY SCHEDULE OF NET POSITION

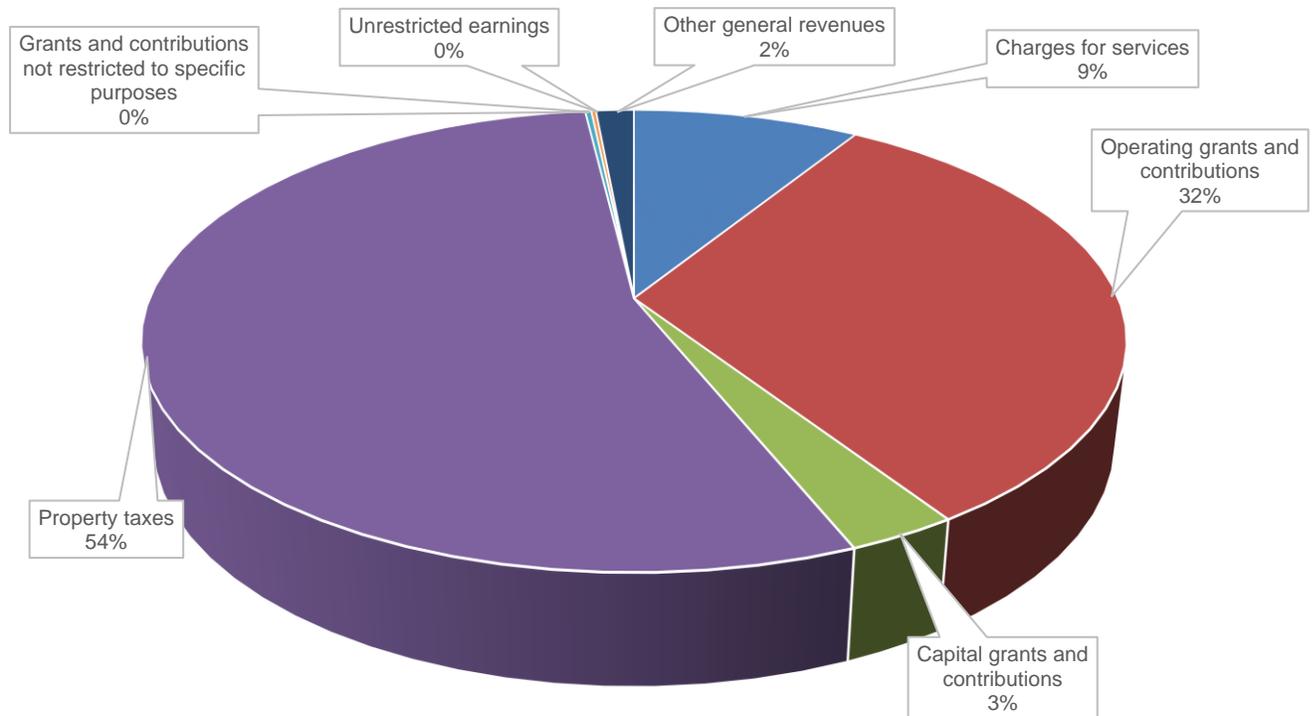
	Governmental Activities		Business-Type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Current Assets	\$ 284,411,692	\$ 312,322,601	\$ 7,841,354	\$ 7,974,680	\$ 292,253,046	\$ 320,297,281
Capital Assets, Net of						
Accumulated Depreciation	334,974,822	332,402,539	23,501,963	23,676,558	358,476,785	356,079,097
Total assets	619,386,514	644,725,140	31,343,317	31,651,238	650,729,831	676,376,378
Deferred Outflows of Resources						
Pension related items	74,312,519	41,054,496	-	-	74,312,519	41,054,496
Deferred amounts on refundings	1,275,857	1,234,964	102,526	113,941	1,378,383	1,348,905
	75,588,376	42,289,460	102,526	113,941	75,690,902	42,403,401
Long-term Liabilities Outstanding	125,709,234	117,663,521	3,720,228	3,949,165	129,429,462	121,612,686
Other Liabilities	32,342,543	26,712,838	696,594	632,490	33,039,137	27,345,328
Total liabilities	158,051,777	144,376,359	4,416,822	4,581,655	162,468,599	148,958,014
Deferred Inflows of Resources:						
Pension related items	6,823,068	5,072,994	-	-	6,823,068	5,072,994
Advance property tax collection	-	86,889	-	-	-	86,889
	6,823,068	5,159,883	-	-	6,823,068	5,159,883
Net Position						
Net investment in capital assets	268,588,824	266,686,677	20,196,326	20,654,635	288,785,150	287,341,312
Restricted	1,101,211	1,095,811	-	-	1,101,211	1,095,811
Unrestricted	260,410,010	269,695,870	6,832,695	6,528,889	267,242,705	276,224,759
Total net position	\$ 530,100,045	\$ 537,478,358	\$ 27,029,021	\$ 27,183,524	\$ 557,129,066	\$ 564,661,882

Net position of the City's governmental activities decreased by 1.4% or \$7.4 million compared to a prior increase of \$6.6 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 is \$260.4 million at the end of this year. The net position of business-type activities decreased by \$155 thousand in 2016 compared to 2015.

TABLE 2

	SUMMARY STATEMENT OF ACTIVITIES					
	Governmental Activities		Business-Type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charge for services	\$ 14,572,186	\$ 12,986,305	\$ 7,431,065	\$ 7,344,944	\$ 22,003,251	\$ 20,331,249
Operating grants and contributions	79,078,101	76,414,293	-	-	79,078,101	76,414,293
Capital grants and contributions	7,648,148	2,735,539	-	702,323	7,648,148	3,437,862
General Revenues:						
Property taxes	134,464,509	134,240,052	-	-	134,464,509	134,240,052
Grants and contributions not restricted to specific programs	600,091	592,457	-	-	600,091	592,457
Unrestricted investment earnings	444,898	369,645	-	-	444,898	369,645
Other general revenues	3,686,764	3,260,140	-	-	3,686,764	3,260,140
Total revenues	240,494,697	230,598,431	7,431,065	8,047,267	247,925,762	238,645,698
Program Expenses:						
General government	20,970,806	15,826,836	-	-	20,970,806	15,826,836
Public safety	33,028,169	25,983,268	-	-	33,028,169	25,983,268
Public works	33,358,035	28,439,401	-	-	33,358,035	28,439,401
Health and welfare	8,749,471	8,536,374	-	-	8,749,471	8,536,374
Libraries	3,232,404	3,443,583	-	-	3,232,404	3,443,583
Parks and recreation	3,744,334	3,420,506	-	-	3,744,334	3,420,506
Education	142,696,114	136,084,395	-	-	142,696,114	136,084,395
Interest on long-term debt	2,093,677	2,306,348	-	-	2,093,677	2,306,348
Water	-	-	7,585,568	7,267,743	7,585,568	7,267,743
Total program expenses	247,873,010	224,040,711	7,585,568	7,267,743	255,458,578	231,308,454
(Decrease) increase in net position	(7,378,313)	6,557,720	(154,503)	779,524	(7,532,816)	7,337,244
Net Position - beginning	537,478,358	530,920,638	27,183,524	26,404,000	564,661,882	557,324,638
Net Position - ending	\$ 530,100,045	\$ 537,478,358	\$ 27,029,021	\$ 27,183,524	\$ 557,129,066	\$ 564,661,882

The City's total revenues were \$247.9 million. The total cost of all programs and services was \$255.5 million. Our pie chart analysis below considers the operations of governmental and business-type activities.



Governmental Activities

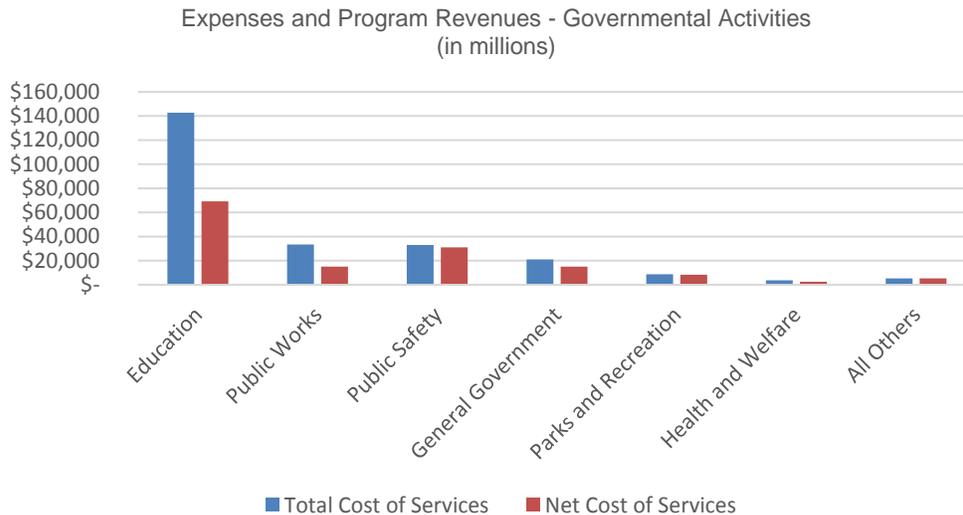
Governmental Activities decreased the City of Bristol's net position by \$7.4 million. The prior year increase in net position was \$6.6 million. Key elements of this increase with offsetting decreases are as follows:

- Property tax collections increased by \$224 thousand during the year. Most of this increase is the product of increased tax revenue estimates to balance increased budgeted appropriations.
- Operating and capital grants and contributions for governmental activities increased by \$7.6 million.
- Charges for services increased \$1.6 million. This is a result of a combination of increased real estate transfer taxes, and public safety, public works, and building permit fees.
- Investment earnings decreased \$75 thousand. Interest rates still remain quite low and the City has been expending funds on Capital Projects that are scheduled to be bonded.
- Governmental activities expenses increased \$23.8 million as a result of increased appropriation expenses for the education department programs and scheduled increases for fleet replacements in the Public Works department, and unionized contractual salary increases.
- For the most part, any increases in departmental expenses closely paralleled inflationary costs for utilities, operational contractual obligations and increased costs for health benefits.
- The State of Connecticut Teacher Retirement System is funded by the State. The funding levels have remained relatively flat. This year the on-behalf state teacher's contribution was \$13.7 million, a decrease of \$100 thousand from the previous year.

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

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Education	\$ 142,696,114	\$ 136,084,395	\$ (69,209,005)	\$ (64,821,325)
Public Works	33,358,035	28,439,401	(15,039,443)	(16,770,789)
Public Safety	33,028,169	25,983,268	(31,088,244)	(24,374,722)
General Government	20,970,806	15,826,836	(15,021,093)	(9,786,036)
Health and Welfare	8,749,471	8,536,374	(8,392,699)	(8,251,580)
Parks and Recreation	3,744,334	3,420,506	(2,554,253)	(2,223,141)
All other	5,326,081	5,749,931	(5,269,838)	(5,676,981)
Total	\$ 247,873,010	\$ 224,040,711	\$ (146,574,575)	\$ (131,904,574)



Business-Type Activities

Revenues of the City’s business-type activities (see Table 2) were \$7.4 million in 2016 compared to \$8.05 million in 2015 and expenses increased by 4.4%. The factors influencing these results included:

- Revenues: Increases were experienced on the investment of idle funds and a slight increase in water sales.
- Expenses: Increases were experienced in the supplies and capital outlay accounts.

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 \$ 43.5 million.

Approximately 29.9% of this total amount (\$13 million) constitutes unassigned fund balance, which is in excess of nonspendable, restricted, committed and assigned fund balance. The remainder of fund balance is constrained to specific purposes to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of a prior period 2) to pay debt service 3) to generate income to pay for the perpetual care and maintenance of storm water control problem areas and City cemeteries, or 4) for a variety of other restricted specific purposes.

The General Fund is the chief operating fund of the City of Bristol. At the end of the current fiscal year, unassigned fund balance of the general fund was \$28.7 million, while total fund balance reached \$36.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.2% of total general fund expenditures, while total fund balance represents 19.1% of that same amount, and approximately the same percentage as the year before.

The Debt Service Fund has a total fund balance of \$643 thousand, all of which is restricted for the payment of debt service. Funding for debt service is represented by a transfer out of the General Fund to the Debt Service Fund.

Proprietary Funds

The City of Bristol's proprietary funds provide the same type of information found in the governmental-wide financial statements, but in more detail.

Unrestricted net position of the Water Department and Health Benefits and Workers' Compensation funds at the end of the year amounted to \$19.7 million, of that amount; the Health Benefits and Workers' Compensation fund has accumulated \$12.9 million of net position, which is equal to the funds unrestricted net position. This fund is self-funded and has experienced previous year-to-year increases in medical claims. Current year expenses were \$36.7 million compared to 2015 expenses of \$38.9 million or \$2.2 million less than 2015.

Other factors concerning the finances of the Water Department have already been addressed in the discussion the City of Bristol's business-type activities.

General Fund Budgetary Highlights

Variances between original budget and the amended budget (RSI-1 and 2) can be briefly summarized as follows:

Estimated Revenues:

- Current Property Tax Collections are estimated year to year at 98%. Actual current collections were 98.68%.
- State grants are budgeted with available known estimates from the State. Some state grants exceeded original expectations due to the reimbursement nature of the grants (excess student cost base), while others are formula driven, such as the PILOT- for manufacturing and equipment grant. A municipal grant in aid was received in the amount of \$2.5 million as a one-time grant dispersed by the State of Connecticut.
- Building permit collections were \$412 thousand over original budgeted estimates. This revenue source increase was due to increased new residential and commercial development activity.
- State and Federal grant estimates and resulting variances for our larger state provided grants, such as the Educational Cost Sharing and Public (child) transportation and PILOT: manufacturing and equipment and sales tax grants, are subject to political debate and approval at the state level and are not of local control.
- Excess Student Cost Base Grant, like many education grants are difficult to estimate and are usually based on data from a prior year which may not reflect current year data. The City received \$1.5 million. Last year's grant amount received was \$2.6 million.

Appropriations:

- Many departments will have adjustments to their original appropriations. There are two major reasons: first, the departments cannot over expend their line items, and second, all year end over expenditures are covered by either transfers within the department line items or transfers from other departments with excessive funds at year end.

Large transfer amounts usually signify unusual circumstances. For instance:

- The School Readiness grant is not budgeted until the grant amount is known, which is usually after budget adoption.
- Public Safety adjustments within the Police and Fire Department budgets were caused by costs of overtime for unplanned local emergencies and contractual replacement for sick or injured personnel in the Police divisions.
- A \$26.6 million transfer from the General fund to the Internal Service Fund refers to a year-to-year combined City and Education appropriation transfer for workers' compensation expenses and health benefit expenses.
- Public Works – Fleet Maintenance – This division had higher than usual heavy-duty vehicle repairs due to an aging fleet.
- Public Works – Major Road Improvements – This division received a one-time State grant that was specifically for road improvements in addition to the original budget amount for road maintenance and improvements.
- Public Works – Snow Removal expenses decreased due to lower than average snow and ice storm events.
- Other Post-Employment Benefits – the city increased its reserves for this benefit line item for future use.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the City had \$358.5 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 \$2.4 million, or .7%, over last year.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 18,446,473	\$ 18,690,738	\$ 2,752,140	\$ 2,752,140	\$ 21,198,613	\$ 21,442,878
Construction in progress	18,879,831	13,863,936	1,059,556	677,228	19,939,387	14,541,164
Buildings	162,883,774	164,624,071	16,970,605	17,701,093	179,854,379	182,325,164
Improvement other than buildings	5,259,066	8,013,589	-	-	5,259,066	8,013,589
Machinery and equipment	19,121,248	18,986,486	2,719,662	2,546,097	21,840,910	21,532,583
Infrastructure	110,384,430	108,223,719	-	-	110,384,430	108,223,719
	\$ 334,974,822	\$ 332,402,539	\$ 23,501,963	\$ 23,676,558	\$ 358,476,785	\$ 356,079,097

The following are the more significant aspects of the changes in capital assets:

Land

- Governmental Activities: Decrease due to the City selling Industrial Park lots.
- Business Type Activities: No Water Department Activity.

Construction in progress

- Governmental Activities: Minor increase due to the completion of school projects.

Buildings

- Governmental Activities: The City sold schools no longer in Board of Education use.

Improvements other than buildings

- Governmental Activities: Improvement costs for paving, lighting, fencing, and tennis courts were reduced when the City sold city-owned properties.

Machinery and Equipment

- Governmental Activities: Increase is the purchase of new vehicles and various equipment in the Police, Fire, Parks and Public Works Department.
- Business Type Activities: Decrease due to the retirement of various department equipment.

Infrastructure

- Increase is for road improvements.

Fiscal Year 2016 Capital Budget	
<u>Department</u>	
Board of Education	\$2,407,570
Fire Department	170,000
Police Department	10,000,000
Parks Department	775,000
Public Works	3,070,000
Public Works - WPC	1,535,000
Memorial Boulevard Task Force	400,000
Total All Departments	<u><u>\$18,357,570</u></u>
<u>Funding</u>	
Sale of Bonds	\$12,595,815
General Fund Cash	544,265
LOCIP	650,000
WPC CNR	1,535,000
State/Federal Grants	2,552,490
Other Funds	480,000
Total All Funding	<u><u>\$18,357,570</u></u>

The City's fiscal year 2015-2016 capital budget called for it to spend \$18.36 million for capital projects. Some of the main highlights of these projects include:

- Improve various roads- cul-de-sacs, right of ways, storm drains and related pavement outlay
- Education department funding for underground storage tank replacements at Hubbell Elementary and Northeast Middle School and the roof replacement at Hubbell
- Police Department radio communications system replacement
- Parks Department to replace the HVAC system at the Dennis Malone Aquatic Center and renovate Page Park tennis courts
- Former Memorial Boulevard School to begin restorations to reuse the structure as a multiuse facility and theatre

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-term Debt

At June 30, 2016 the City had \$63.4 million in total bonded indebtedness versus \$67.6 million last year – a decrease of 6.2% – as shown in Table 5. The decrease is due the annual payments for debt service.

TABLE 5
OUTSTANDING DEBT, AT YEAR-END

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds (backed by the City)	\$ 60,208,703	\$ 64,164,390	\$ 3,233,993	\$ 3,467,236	\$ 63,442,696	\$ 67,631,626

The City also “rolled over” for a fourth time (reissued) \$4.5 million in taxable general obligation notes. The City paid down \$2.91 million of the original 2008 issue of \$7.41 million.

The City’s general obligation bond ratings are Aa2 and AA+ respectfully from Moody’s Investors Service and Standard and Poor’s Corporation. The Standard and Poor’s Corporation (S&P) rating represents an upgrade from AA to AA+ received in February, 2009. Prior to this upgrade, the City received upgrades from Moody’s and S&P in August 2000. A Fitch rating was first established for the City in June 2006. The Fitch rating is AA+.

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 \$938.45 million state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City’s elected and appointed officials considered many factors when setting the fiscal-year 2016 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 remains constant at 6.98% versus 6.98% a year ago. This compares with the State’s unemployment rate of 6.2% (not seasonally adjusted) and the national rate of 4.9%. (Source: CT Department of Labor, 2015 Average).

Bristol’s wealth and income factors and unemployment trends are for the most part consistent within the Hartford region. Bristol’s median household effective buying income is 85% of the state’s average and 109.3% of the nation’s average.

These indicators were taken into account when adopting the General Fund budget for 2016-17. Amounts appropriated in the 2016-2017 General Fund budget are \$189 million, an increase of \$4 million over the previous year’s budget of approximately \$185 million. The property tax rate increased to 36.03.

The City will use these increases in tax revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures equal budgeted revenues in order to keep structural balance.

If these estimates are realized, the City’s budgetary General Fund balance is expected to slightly increase at June 30, 2017. Residential Building Permits, Conveyance Tax fees, interest income and delinquent tax collections continue to lag behind any signs of economic improvement. Those revenue estimates will be kept at lower levels to reflect current economic conditions.

For the first time, the City of Bristol did not use any of its \$28.7 million unassigned fund balance to balance its 2016-2017 operating budget. This represents a decrease of \$195 thousand from the previous year.

As for the City's business-type activities we expect marginal growth (0.25 -0.50%) to net position based on sales over the past three fiscal years. Expense increases will be primarily due to salaries and benefits other expenses are expected to have a slight marginal increase. Also, expenses will increase for continued watershed expansion purchases and other infrastructure and equipment improvements.

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 and expends. If you have questions about this report or need additional financial information, contact the Comptroller's Office, City of Bristol, 111 North Main Street, Bristol, Connecticut, 06010.

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Basic Financial Statements

Statement of Net Position
June 30, 2016

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Bristol-Burlington Health District
Assets				
Cash and cash equivalents	\$ 85,577,710	\$ 1,637,259	\$ 87,214,969	\$ 2,373,894
Investments	8,508,146	4,502,617	13,010,763	-
Receivables, net	11,486,702	1,451,775	12,938,477	27,610
Due from fiduciary funds	249,500	-	249,500	-
Inventories	75,495	245,701	321,196	-
Other assets	8,817	4,002	12,819	-
Net pension asset	178,505,322	-	178,505,322	-
Capital assets:				
Assets not being depreciated	37,326,304	3,811,696	41,138,000	-
Assets being depreciated, net	297,648,518	19,690,267	317,338,785	46,147
Total assets	619,386,514	31,343,317	650,729,831	2,447,651
Deferred Outflows of Resources				
Pension related items	74,312,519	-	74,312,519	-
Deferred charge on refunding	1,275,857	102,526	1,378,383	-
Total deferred outflows of resources	75,588,376	102,526	75,690,902	-
Liabilities				
Accounts and other payables	17,292,301	551,151	17,843,452	51,096
Accrued liabilities	8,969,888	51,752	9,021,640	63,358
Accrued interest payable	858,846	-	858,846	-
Bond anticipation notes payable	4,500,000	-	4,500,000	-
Other current liabilities	214	93,691	93,905	-
Unearned revenue	721,294	-	721,294	-
Noncurrent liabilities:				
Due within one year	14,525,622	590,918	15,116,540	47,893
Due in more than one year	111,183,612	3,129,310	114,312,922	37,986
Total liabilities	158,051,777	4,416,822	162,468,599	200,333
Deferred Inflows of Resources				
Pension related items	6,823,068	-	6,823,068	-
Total deferred inflows of resources	6,823,068	-	6,823,068	-
Net Position				
Net investment in capital assets	268,588,824	20,196,326	288,785,150	46,147
Restricted for:				
Trust purposes:				
Expendable	253,143	-	253,143	-
Nonexpendable	848,068	-	848,068	-
Pensions	178,505,322	-	178,505,322	-
Unrestricted	81,904,688	6,832,695	88,737,383	2,201,171
Total net position	\$ 530,100,045	\$ 27,029,021	\$ 557,129,066	\$ 2,247,318

See notes to financial statements.

Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						
		Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Bristol-Burlington Health District
Primary Government:								
Governmental activities:								
General government	\$ 20,970,806	\$ 1,310,578	\$ 4,639,135	\$ -	\$ (15,021,093)	\$ -	\$ (15,021,093)	\$ -
Public Safety	33,028,169	1,337,185	602,740	-	(31,088,244)	-	(31,088,244)	-
Public Works	33,358,035	9,888,737	781,707	7,648,148	(15,039,443)	-	(15,039,443)	-
Health and Welfare	8,749,471	-	356,772	-	(8,392,699)	-	(8,392,699)	-
Libraries	3,232,404	22,801	33,442	-	(3,176,161)	-	(3,176,161)	-
Parks and Recreation	3,744,334	704,410	485,671	-	(2,554,253)	-	(2,554,253)	-
Education	142,696,114	1,308,475	72,178,634	-	(69,209,005)	-	(69,209,005)	-
Interest and fiscal charges	2,093,677	-	-	-	(2,093,677)	-	(2,093,677)	-
Total governmental activities	247,873,010	14,572,186	79,078,101	7,648,148	(146,574,575)	-	(146,574,575)	-
Business-type activities:								
Water	7,585,568	7,431,065	-	-	-	(154,503)	(154,503)	-
Total business-type activities	7,585,568	7,431,065	-	-	-	(154,503)	(154,503)	-
Total primary government	\$ 255,458,578	\$ 22,003,251	\$ 79,078,101	\$ 7,648,148	(146,574,575)	(154,503)	(146,729,078)	-
Component Unit:								
Bristol-Burlington Health District	\$ 3,419,992	\$ 55,410	\$ 3,679,813	\$ -	-	-	-	315,231
General Revenues:								
Property taxes					134,464,509	-	134,464,509	-
Grants and contributions not restricted to specific programs					600,091	-	600,091	-
Unrestricted investment earnings					444,898	-	444,898	3,047
Miscellaneous					3,686,764	-	3,686,764	-
Total general revenues and transfers					139,196,262	-	139,196,262	3,047
Change in net position					(7,378,313)	(154,503)	(7,532,816)	318,278
Net Position - beginning					537,478,358	27,183,524	564,661,882	1,929,040
Net Position - ending					\$ 530,100,045	\$ 27,029,021	\$ 557,129,066	\$ 2,247,318

See notes to financial statements.

**Balance Sheet - Governmental Funds
June 30, 2016**

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 40,452,198	\$ 643,438	\$ -	\$ 20,382,300	\$ 61,477,936
Investments	7,705,476	-	-	802,670	8,508,146
Receivables, net	5,764,577	-	3,804,310	1,914,779	11,483,666
Due from other funds	727,276	-	-	169,223	896,499
Prepays	8,817	-	-	-	8,817
Inventories	-	-	-	75,495	75,495
Total assets	\$ 54,658,344	\$ 643,438	\$ 3,804,310	\$ 23,344,467	\$ 82,450,559
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accounts and contracts payable	\$ 5,285,769	\$ -	\$ 10,159,152	\$ 1,837,994	\$ 17,282,915
Accrued liabilities	8,134,593	-	-	835,295	8,969,888
Due to other funds	46,525	-	-	1,758,962	1,805,487
Due to other governments	-	-	-	214	214
Bond anticipation notes payable	-	-	4,500,000	-	4,500,000
Unearned revenue	-	-	-	627,272	627,272
Total liabilities	13,466,887	-	14,659,152	5,059,737	33,185,776
Deferred inflows of resources:					
Unavailable revenue - property taxes	5,034,625	-	-	-	5,034,625
Unavailable revenue - sewer use	-	-	-	176,973	176,973
Unavailable revenue - sewer assessments	-	-	-	514,830	514,830
Total deferred inflows of resources	5,034,625	-	-	691,803	5,726,428
Fund balances (deficits):					
Nonspendable	8,817	-	-	923,563	932,380
Restricted	-	643,438	-	4,906,176	5,549,614
Committed	3,064,919	-	4,861,633	11,610,880	19,537,432
Assigned	4,345,929	-	-	152,698	4,498,627
Unassigned (deficits)	28,737,167	-	(15,716,475)	(390)	13,020,302
Total fund balances (deficits)	36,156,832	643,438	(10,854,842)	17,592,927	43,538,355
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 54,658,344	\$ 643,438	\$ 3,804,310	\$ 23,344,467	\$ 82,450,559

(Continued)

**Reconciliation of Governmental Funds Fund Balance to Net Position of Governmental Activities
June 30, 2016**

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

Fund balances - total governmental funds	\$ 43,538,355
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 662,013,254
Less accumulated depreciation	<u>(327,038,432)</u>
Net capital assets	334,974,822
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Net pension asset	178,505,322
Property tax receivables greater than 60 days	3,759,161
Interest receivable on property taxes	1,275,464
Sewer assessments receivable	466,245
Sewer assessments interest receivable	48,585
Sewer usage receivable	176,973
Net deferred inflows/(outflows) due to pension related items	67,489,451
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	12,856,895
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	(60,208,703)
Unamortized premium on general obligation bonds	(2,953,152)
Interest payable on bonds and notes	(858,846)
Compensated absences	(8,087,968)
Landfill post closure care	(1,501,257)
Deferred charges on refunding	1,275,857
Net pension liability	(9,428,337)
Other post-employment benefit obligations	<u>(31,228,822)</u>
Net position of governmental activities (Exhibit I)	<u><u>\$ 530,100,045</u></u>

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds
For the Year Ended June 30, 2016**

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and assessments	\$ 133,110,872	\$ -	\$ 13,406	\$ 7,547	\$ 133,131,825
Interest and lien fees on delinquent taxes and assessments	920,530	-	-	-	920,530
Licenses, permits and fees	1,283,269	-	-	2,051,107	3,334,376
Intergovernmental	65,965,354	-	6,883,973	13,531,058	86,380,385
Charges for services	3,505,064	-	-	7,720,154	11,225,218
Income on investments	365,652	3,168	12,859	1,429,726	1,811,405
Miscellaneous	2,168,449	19,661	878,543	199,558	3,266,211
Total revenues	207,319,190	22,829	7,788,781	24,939,150	240,069,950
Expenditures:					
Current:					
General government	5,866,487	-	-	1,899,537	7,766,024
Public Safety	22,548,951	-	-	1,377,422	23,926,373
Public Works	12,339,505	-	-	7,462,471	19,801,976
Health and Welfare	6,466,764	-	-	1,611,957	8,078,721
Libraries	2,073,196	-	-	225,919	2,299,115
Parks and Recreation	2,427,622	-	-	554,254	2,981,876
Education	105,974,983	-	-	14,670,197	120,645,180
Citywide:					
Employee benefits and pensions	3,631,894	-	-	-	3,631,894
Insurance	27,289,295	-	-	-	27,289,295
Miscellaneous	541,457	-	-	-	541,457
Capital outlay	-	-	18,507,685	-	18,507,685
Debt service:					
Principal retirement	-	6,177,000	334,853	-	6,511,853
Interest and fiscal charges	-	2,309,727	62,283	-	2,372,010
Total expenditures	189,160,154	8,486,727	18,904,821	27,801,757	244,353,459
Excess (deficiency) of revenues over expenditures	18,159,036	(8,463,898)	(11,116,040)	(2,862,607)	(4,283,509)
Other financing sources (uses):					
Issuance of bonds	-	-	2,724,099	-	2,724,099
Payment to escrow	-	(7,498,214)	-	-	(7,498,214)
Issuance of refunding bonds	-	7,117,000	-	-	7,117,000
Bond premium	-	488,252	-	-	488,252
Transfers in	74,132	8,115,275	3,174,290	5,003,216	16,366,913
Transfers out	(13,793,319)	(500,000)	(75,000)	(1,998,594)	(16,366,913)
Total other financing sources (uses)	(13,719,187)	7,722,313	5,823,389	3,004,622	2,831,137
Net change in fund balances (deficits)	4,439,849	(741,585)	(5,292,651)	142,015	(1,452,372)
Fund balances (deficits), beginning of year	31,716,983	1,385,023	(5,562,191)	17,450,912	44,990,727
Fund balances (deficits), end of year	\$ 36,156,832	\$ 643,438	\$ (10,854,842)	\$ 17,592,927	\$ 43,538,355

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities (Continued)
For the Year Ended June 30, 2016**

Amounts reported for governmental activities in the statement of activities are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV) \$ (1,452,372)

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	24,997,247
Depreciation expense	(14,311,024)
Loss on disposal	(8,113,940)

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

Property tax receivable - accrual basis change	365,645
Property tax interest and lien revenue - accrual basis change	54,056
Sewer assessment receivable - accrual basis change	(66,122)
Sewer assessment interest receivable- accrual basis change	5,046
Sewer usage receivable- accrual basis change	66,122
Net pension asset	(31,884,659)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of 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:

Bond principal payments	13,796,784
Bond proceeds	(9,841,097)
Amortization of deferred charge on refunding	40,893
Accrued interest	129,185
Bond premiums amortization	(166,716)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(784,664)
Other post-employment benefits	(2,921,304)
Net pension liability	(9,428,337)
Landfill post closure care	61,687
Deferred inflows/outflows related pension items	31,507,949

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

567,308

Change in net position of Governmental Activities (Exhibit II)

\$ (7,378,313)

See notes to financial statements.

**Statement of Net Position - Proprietary Funds
June 30, 2016**

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,637,259	\$ 24,099,774
Investments	4,502,617	-
Receivables, net	1,451,775	3,036
Due from other funds	-	1,158,488
Inventories	245,701	-
Other assets	4,002	-
Total current assets	7,841,354	25,261,298
Noncurrent assets:		
Capital assets:		
Assets not being depreciated	3,811,696	-
Assets being depreciated, net	19,690,267	-
Total noncurrent assets	23,501,963	-
Total assets	31,343,317	25,261,298
Deferred Outflows of Resources		
Deferred charge on refunding	102,526	-
Liabilities		
Current liabilities:		
Accounts and other payables	551,151	9,386
Payroll liabilities	51,752	-
Customer deposits	93,691	-
Unearned revenues	-	94,022
Compensated absences - current	53,327	-
Bonds payable - current	501,795	-
Notes payable - current	35,796	-
Unpaid claims - current	-	6,713,469
Total current liabilities	1,287,512	6,816,877
Noncurrent liabilities:		
Compensated absences	258,738	-
Bonds payable	2,138,375	-
Notes payable	732,197	-
Unpaid claims	-	5,587,526
Total noncurrent liabilities	3,129,310	5,587,526
Total liabilities	4,416,822	12,404,403
Net Position		
Net investment in capital assets	20,196,326	-
Unrestricted	6,832,695	12,856,895
Total net position	\$ 27,029,021	\$ 12,856,895

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2016
(In Thousands)**

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 7,046,797	\$ 36,443,581
Contributions	-	64,917
Miscellaneous	384,268	705,791
Total operating revenues	7,431,065	37,214,289
Operating expenses:		
Source of supply	214,905	-
Pumping	287,833	-
Purification	955,880	-
Transmission and distribution	2,023,496	-
Customer accounts, administrative and general	2,217,906	-
Depreciation	1,085,609	-
Taxes other than income taxes	488,140	-
Insurance claims, premiums and fees	-	36,688,179
Total operating expenses	7,273,769	36,688,179
Operating income	157,296	526,110
Nonoperating income (expense):		
Income (loss) on investments	(203,247)	41,198
Interest expense	(116,338)	-
Amortization of debt discount and expense	7,786	-
Total nonoperating income (expense)	(311,799)	41,198
Change in net position	(154,503)	567,308
Fund net position, beginning	27,183,524	12,289,587
Fund net position, ending	\$ 27,029,021	\$ 12,856,895

See notes to financial statements.

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services and contributions	\$ 7,421,007	\$ 35,653,582
Cash received from other operating revenue	-	770,708
Cash paid to employees	(2,213,942)	-
Cash paid to suppliers	(3,947,307)	-
Cash payment for claims paid	-	(37,894,275)
Net cash provided by (used in) operating activities	1,259,758	(1,469,985)
Cash flows from capital financing activities:		
Purchase of capital assets/utility plant	(911,014)	-
Principal payments bonds/notes	(243,937)	-
Interest payments	(97,137)	-
Net cash used in capital and related financing activities	(1,252,088)	-
Cash flows from investing activities:		
Income on investments	27,684	41,198
Net increase (decrease) in cash and cash equivalents	35,354	(1,428,787)
Cash and cash equivalents, beginning of year	1,601,905	25,528,561
Cash and cash equivalents, end of year	\$ 1,637,259	\$ 24,099,774
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	\$ 157,296	\$ 526,110
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,085,609	-
Decrease in receivables, net	513	23,490
(Increase) in inventories	(60,858)	-
(Increase) in other assets	(1,906)	-
Increase in accounts and other payables	83,805	5,488
Increase in unearned revenues	-	26,350
(Decrease) in accrued liabilities	(11,036)	-
Increase in accrued compensated absences	15,000	-
(Decrease) in unpaid claims	-	(1,237,934)
(Decrease) in customer deposits	(8,665)	-
(Decrease) in due to (from) other funds	-	(813,489)
Total adjustments	1,102,462	(1,996,095)
Net cash provided by (used in) operating activities	\$ 1,259,758	\$ (1,469,985)

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2016

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 39,436,174	\$ 1,989,506	\$ 609,609
Investments, at fair value:			
Certificates of deposit	-	-	115,527
Corporate bonds	61,954,506	768,912	-
U.S. Treasury	42,288,470	337,954	-
U.S. government agencies	2,754,299	-	-
Government bonds	21,350,540	577,485	-
Alternative investments	135,551,823	-	-
Common stock	189,572,311	-	-
Mutual funds	68,303,370	2,453,751	-
Total investments	521,775,319	4,138,102	115,527
Receivables, net	44,000	-	-
Total assets	561,255,493	6,127,608	725,136
Liabilities			
Accounts payable	47,389	-	429
Due to senior citizens	-	-	55,773
Due to student groups	-	-	668,934
Due to other funds	249,500	-	-
Total liabilities	296,889	-	725,136
Net Position			
Restricted for pension benefits	560,958,604	-	-
Restricted for OPEB benefits	-	6,127,608	-
Total net position	\$ 560,958,604	\$ 6,127,608	\$ -

See notes to financial statements.

**Statement of Changes in Plan Net Position -
Pension Trust Funds and OPEB Trust Fund
For the Year Ended June 30, 2016**

	Pension Trust Funds	OPEB Trust Fund
Additions:		
Contributions:		
Employer	\$ 44,000	\$ 862,582
Plan members	2,582,644	-
Total contributions	<u>2,626,644</u>	<u>862,582</u>
Investment income:		
Net depreciation in fair value of investments	(15,078,690)	(35,161)
Interest and dividends	9,159,942	97,827
Total investment income	<u>(5,918,748)</u>	<u>62,666</u>
Less investment expense	(388,389)	-
Net investment (loss) income	<u>(6,307,137)</u>	<u>62,666</u>
Deductions:		
Benefits	22,398,939	-
Administration	3,348,949	20,480
Total deductions	<u>25,747,888</u>	<u>20,480</u>
Increase (decrease) in net position	(29,428,381)	904,768
Net position restricted for benefits :		
Beginning of year	<u>590,386,985</u>	<u>5,222,840</u>
End of year	<u>\$ 560,958,604</u>	<u>\$ 6,127,608</u>

See notes to financial statements.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The City of Bristol (the "City") was incorporated in 1911. Its legal authority is derived from Chapter Ninety-nine of the General Statutes of the State of Connecticut and Number 352 of the Special Acts of 1911. The City has operated under the Council-Mayor form of government since 1911. Services provided include education, water, sewer, refuse, streets and drainage, recreation and parks, planning and zoning, community development, human services, police and fire protection. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

GAAP require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Codification Section 2100 have been considered and have resulted in the inclusion of one discretely presented component unit as detailed below.

Discretely presented component unit: The Bristol-Burlington Health District (the District) was formed on July 1, 1979 as a health district under Section 19-106 of the General Statutes of the State of Connecticut as a legally separate entity. The City appoints a majority of the District's governing six-member board once every three years. Although it is legally separate from the City, the District is presented discretely as it is fiscally dependent upon the City. The City contributes almost eighty percent (80%) of the District's annual operating budget. Additionally, if the District were to dissolve, according to state statute the District would immediately become a department of the City. The District does not provide services primarily to the City, but to its citizens. A complete set of financial statements may be obtained at the District's office located at 240 Stafford Avenue, Bristol, Connecticut 06010.

Related organization:

Bristol Downtown Development Corporation: The Bristol Downtown Development Corporation (the Corporation) was formed on April 5, 2007. The Corporation is a nonstock corporation organized pursuant to the Non-Stock Corporation act, Connecticut General Statute Section 33-1000 as a separate entity. All Directors are nominated by the Mayor and approved by vote of the City Council. During the current year, the City transferred \$30,000 to the Corporation. The Corporation was dissolved by action of the City Council on December 30, 2015.

Joint Venture:

14 Municipalities collectively referred to as the "Contracting Communities" operated under the Bristol Resource Recovery Facility Operating Committee (BRRFOC) which expired in 2014. Each municipality has individually contracted with the Company through a collective agreement through 2034.

Accounting standards adopted in the current year and restatement of net position: GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement added additional disclosures to Note 3.

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*. This statement completes the suite of pension standards. Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The implementation of this statement had no impact on the City's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this statement had no impact on the City's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. The implementation of this statement had no impact on the City's financial statements.

Government-wide and fund financial statements: The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 fund 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.

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. Agency funds 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 for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues when eligibility requirements are met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the City.

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 Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term principal, interest and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds).

The City reports the following major proprietary fund:

The Water Enterprise Fund is used to account for the operations of the Bristol Water Department.

The Internal Service Fund accounts for the risk management activities of the City.

Additionally, the City reports the following fund types:

The Pension Trust Funds account for the activities of the City Pension Plans, which accumulate resources for pension benefit payments to qualified City employees.

The OPEB Trust Funds account for the activities of the City other post-employment benefits, which accumulate resources for health related benefit payments to qualified City employees.

The Agency Funds are used to account for assets held by the City in an agent capacity for individuals, private organizations or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds include Senior Citizens Activity Fund and School Activity Fund.

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 functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Functional expenses in the statement of activities include certain indirect expenses, such as employee benefits, pension and insurance. These expenses are allocated to governmental activity functions based on total salary expenses for each function.

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 are charges for sales and services and of the City's internal service funds are charges from participants and premiums from the City. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. For the internal service funds, expenses represent claims paid. 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.

Accounting estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash equivalents: The City considers all highly liquid investments and those with original maturities of three months or less, when purchased to be cash equivalents.

Investments: Investments for the City and its component unit are stated at fair value, based on quoted market prices, except as disclosed in the following paragraphs.

The *Pension Funds* allow for investments in certain alternative investments. Alternative investments may include private equity partnerships; infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The Connecticut State Statutes (the Statutes) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board and is regulated under the 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.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fair value: The City uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The City's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

Investments measured at the net asset value (NAV): Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The City values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes: Property taxes are levied each July 1 based on the assessed property values of the prior October 1 Grand List. Assessed values are established by the City Assessor's Office at 70% of appraised value.

Property taxes related to the assessed value of under \$1,000 are due in one installment on July 1; remaining property taxes are due in two equal installments on July 1 and the following January 1. Supplemental motor vehicle taxes are due in full on January 1. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. As of June 30, an enforceable lien is recorded against any outstanding real property taxes.

Allowance for doubtful accounts: Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$550,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

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.

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 are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of 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, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Buildings	25-30
Improvements other than buildings	20
Machinery and equipment	3-20
Infrastructure	10-65

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and sewer use charges. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Compensated absences: A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is reported using current salary costs, as well as any salary-related payments that are directly and incrementally connected with leave payments to employees. Sick leave accruals are also based on current salary costs as well as salary-related payments.

Eligible City employees earn 5 to 25 days of sick leave per year and 5 to 20 days of vacation per year depending on employees' length of service. A maximum of 200 days of sick leave and 40 days of vacation leave may be accrued. An employee leaving the employ of the City is entitled to be paid for all unused vacation and a maximum of 90 days or 45% of sick leave upon retirement.

Board of Education employees earn 10 to 20 days of sick leave per year. Maximum sick leave accrual varies by bargaining units from 180 to 275 days. Board of Education employees, with the exception of teachers, earn 5 to 20 days of vacation leave that cannot be accrued and must be used within the fiscal year it was earned. Upon termination, Board of Education employees are paid for all unused vacation leave. Unused sick leave is paid only on retirement to a maximum of 30% depending on bargaining units.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated absences to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for the amounts that have become due. Amounts for compensated absences are generally liquidated by the General Fund.

Net pension asset: The net pension asset 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 asset 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. The investments in the calculation of the net pension liability are measured at fair value.

Long-term obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, 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.

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.

Pension accounting:

Pension trust funds: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plans and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Funding policy: The City funds the contributions to its Pension Plans based on the actuarial required contribution and terms of union contracts.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The City makes annual contributions based upon decisions of the City Council. However, effective July 1, 2014, the City Council adopted an OPEB Funding Policy requiring annual funding with incremental increases of 5% over the annual pay-as-you-go funding levels with the goal of prefunding the OPEB obligation and eliminating the annual funding gap.

Fund equity: Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net investment in capital assets: This category groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position: This category represents the net position of the City, which are not restricted for any project or other purpose. A deficit will require future funding.

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: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Assigned fund balance: This represents amounts constrained for the intent to be used for a specific purpose by the Board of Finance, which has been delegated authority to assign amounts by the City Charter.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 residual fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Note 2. Stewardship, Compliance and Accountability

Budgetary information: The City adopts an annual operating budget for the General Fund only. The following details the procedures relating to the General Fund budgetary data reflected in the financial statements.

The City Charter requires the Board of Finance to submit a recommended operating budget to the City Council 15 days prior to the third Monday in May. The budget provides a financial plan for the year and contains estimates of anticipated revenues and proposed expenditures. After at least one public hearing on the recommended budget, the Board of Finance and City Council (Joint Board) may adopt a final budget for the year.

In practice, the budget is submitted to the Board of Finance in February. A series of work sessions is held to review the budget and is followed by one or more public hearings. The final budget, which includes the annual property tax levy, is then approved.

Appropriations for the General Fund lapse at June 30 of each year. All other program appropriations do not lapse at year end.

The budget is prepared on the modified accrual basis, except for encumbrances, by function, activity and object. Expenditures may not legally exceed appropriations at the object level within a department. The Board of Finance has the power to approve budget revisions during the year up to \$5,000 (amount not rounded). Revisions in excess of \$5,000 require Joint Board approval. All budget revisions must be approved. Additional appropriations in the amount of approximately \$10,544,000 were approved during the fiscal year.

Encumbrances are recognized as a valid and proper charge in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Encumbrances outstanding at year-end are included in either restricted, committed or assigned fund balance depending on the level of restriction in accordance with GAAP since they do not constitute expenditures or liabilities.

Also, in accordance with the provisions 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.

Budgets for Special Revenue Funds are prepared in accordance with the requirements of the various grant agreements and/or legal provisions that control the expenditure of such funds. Since such budgets are adopted on a program basis, it is not practicable to present the results of budgetary operations at the combined level. Special Revenue Funds are budgeted on the modified accrual basis.

Appropriations for the Capital Projects Funds do not lapse at the end of the fiscal year, but continue until the completion of the applicable project.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the 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 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). 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 Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. The 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.

At June 30, the entire amount of the component unit’s deposits was covered by federal depository insurance.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash equivalents: Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, the cash equivalent amounted to \$12,781,869. The following table provides summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor's</u>
State of Connecticut Short-term Investment Fund (STIF)	AAAm

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 87,214,969
Investments	<u>13,010,763</u>
Total statement of net position	<u>100,225,732</u>
Fiduciary funds:	
Cash and cash equivalents	42,035,289
Investments	<u>526,028,948</u>
Total Fiduciary Funds	<u>568,064,237</u>
Total cash, cash equivalents and investments	<u>\$ 668,289,969</u>

Investments as of June 30, in all funds are as follows:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
U.S. treasury bonds	Aaa	\$ 42,626,424	\$ 9,376,217	\$ 25,317,076	\$ 7,933,131
U.S. government agencies	Aaa	3,886,845	-	3,886,845	-
Corporate bonds	Aa1-Aa3	10,348,515	61,023	7,102,509	3,184,983
Corporate bonds	A1-A3	17,573,297	1,777,983	13,942,546	1,852,768
Corporate bonds	Baa1-Baa3	23,163,641	2,257,099	19,582,692	1,323,850
Corporate bonds	Ba1-Ba3	8,821,687	1,006,162	7,815,525	-
Corporate bonds	B1-B3	752,163	-	752,163	-
Corporate bonds	NR	2,569,036	611,387	1,417,773	539,876
Government bonds	Aaa	21,928,025	-	269,149	21,658,876
Certificates of deposit	*	4,133,225	-	4,133,225	-
Total		<u>135,802,858</u>	<u>\$ 15,089,871</u>	<u>\$ 84,219,503</u>	<u>\$ 36,493,484</u>

Other investments:	
Common stock	189,572,311
Alternative Investments	135,551,823
Mutual funds	78,112,719
Total investments	<u>\$ 539,039,711</u>

* Subject to coverage by federal depository insurance and collateralization.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City nor the pension plans 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. However, the City includes asset allocation percentage ranges for its pension plans to assist in limiting interest rate risk.

Credit risk – investments: As indicated above, the Statutes limit the investment options of Cities. The City has an investment policy that allows the same type of investments as the Statutes.

Concentration of credit risk: The City nor the pension plans have a policy limiting investments in any one issuer that is in excess of five percent of the City's total investments.

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30:

Rcit Large Cap Value E Equity Fund CI C	\$32,840,004
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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. As of June 30, 2016, \$111,120,713 of the City's bank balance of \$125,878,135 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City's individual investments in fixed income securities, equities, U.S treasury securities, domestic corporate bonds, foreign bonds, and U.S government agency securities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the City's or Pension Plan's name. The City's other investments are held in alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Fair value: The City and the Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City and the Plan has the following recurring fair value measurements as of June 30:

	Fair Value Measurements Using			
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Stocks	\$ 189,572,311	\$ 189,572,311	\$ -	\$ -
Mutual funds	78,112,719	78,112,719	-	-
Certificate of deposits	4,133,225	4,133,225	-	-
Debt securities:				
U.S. Treasury	42,626,424	42,626,424	-	-
Corporate bonds	63,228,339	63,228,339	-	-
Government bonds	21,928,025	21,928,025	-	-
U.S. Government agencies	3,886,845	3,886,845	-	-
Total debt securities	403,487,888	403,487,888	-	-
Total investments by fair value level	403,487,888	\$ 403,487,888	\$ -	\$ -
Investments measured at the net asset level (NAV):				
Other	122,942,285			
Limited partnerships	9,902,546			
Real estate funds	2,706,992			
Total investments measured at the NAV	135,551,823			
Total investments measured at fair value	\$ 539,039,711			

Debt and equity securities: Debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

The following table summarizes all investments recorded using NAV as a practical expedient to fair value:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
Other	\$ 122,942,285	\$ -	Qtr/Annual	30-60 days
Limited partnerships	9,902,546	-	N/A	N/A
Real estate funds	2,706,992	-	N/A	N/A
Total Investments Measured at the NAV	<u>\$ 135,551,823</u>			

Real estate funds: This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

Private equity funds: This type includes limited partnership funds. These investments can never be redeemed with funds. Instead, the nature of the investments in this type is that distributions are received through liquidation of the underlying assets of the fund capital. As of June 30, 2016 it is probable that all of the investments in this type will be sold at an amount different from NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been determined using recent observation transaction information for similar investments and nonbinding bids received from potential buys of the investments.

City of Bristol, Connecticut

Notes to Financial Statements

Note 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:

	General	Capital Projects	Water Enterprise Fund	Nonmajor and Other Funds	Total Governmental Funds
Receivables:					
Taxes	\$ 4,154,865	\$ -	\$ -	\$ -	\$ 4,154,865
Interest	1,275,464	-	36,708	-	1,312,172
Accounts	313,086	1,818	1,424,698	347,203	2,086,805
Special assessments	-	-	114,838	514,830	629,668
Intergovernmental	331,162	3,802,492	-	1,152,746	5,286,400
Gross receivables	<u>6,074,577</u>	<u>3,804,310</u>	<u>1,576,244</u>	<u>2,014,779</u>	<u>13,469,910</u>
Less allowance for uncollectibles	310,000	-	124,469	100,000	534,469
Net total receivables	<u>\$ 5,764,577</u>	<u>\$ 3,804,310</u>	<u>\$ 1,451,775</u>	<u>\$ 1,914,779</u>	<u>\$ 12,935,441</u>

Total allowance amounts are as follows:

General Fund:	
Allowance related to taxes receivable	\$ 300,000
Allowance related to accounts receivable	10,000
Water Enterprise Fund:	
Allowance related to accounts receivable	124,469
Nonmajor and Other Funds:	
Allowance related to sewer usage receivables	100,000
Total allowance of the current fiscal year	<u>\$ 534,469</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 5. Capital Assets

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

Primary government:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 18,690,738	\$ 418,310	\$ (662,575)	\$ 18,446,473
Construction in progress	13,863,936	17,369,231	(12,353,336)	18,879,831
Total capital assets, not being depreciated	<u>32,554,674</u>	<u>17,787,541</u>	<u>(13,015,911)</u>	<u>37,326,304</u>
Capital assets, being depreciated:				
Buildings	279,586,806	8,099,789	(4,248,312)	283,438,283
Improvements other than buildings	15,927,357	-	(323,247)	15,604,110
Machinery and equipment	72,713,551	4,410,483	(1,743,260)	75,380,774
Infrastructure	245,220,615	7,052,770	(2,009,602)	250,263,783
Total capital assets being depreciated	<u>613,448,329</u>	<u>19,563,042</u>	<u>(8,324,421)</u>	<u>624,686,950</u>
Less accumulated depreciation for:				
Buildings	(114,962,735)	(6,267,242)	675,468	(120,554,509)
Improvements other than buildings	(7,913,768)	(2,431,276)	-	(10,345,044)
Machinery and equipment	(53,727,065)	(2,672,731)	140,270	(56,259,526)
Infrastructure	(136,996,896)	(2,939,775)	57,318	(139,879,353)
Total accumulated depreciation	<u>(313,600,464)</u>	<u>(14,311,024)</u>	<u>873,056</u>	<u>(327,038,432)</u>
Total capital assets, being depreciated, net	<u>299,847,865</u>	<u>5,252,018</u>	<u>(7,451,365)</u>	<u>297,648,518</u>
Governmental activities capital assets, net	<u>\$ 332,402,539</u>	<u>\$ 23,039,559</u>	<u>\$ (20,467,276)</u>	<u>\$ 334,974,822</u>
	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,752,140	\$ -	\$ -	\$ 2,752,140
Construction in progress	677,228	388,713	(6,385)	1,059,556
Total capital assets, not being depreciated	<u>3,429,368</u>	<u>388,713</u>	<u>(6,385)</u>	<u>3,811,696</u>
Capital assets, being depreciated:				
Buildings and system	36,851,860	45,658	-	36,897,518
Machinery and equipment	6,196,273	505,597	(131,112)	6,570,758
Total capital assets, being depreciated	<u>43,048,133</u>	<u>551,255</u>	<u>(131,112)</u>	<u>43,468,276</u>
Less accumulated depreciation for:				
Buildings and system	(19,150,767)	(776,146)	-	(19,926,913)
Machinery and equipment	(3,650,176)	(309,463)	108,543	(3,851,096)
Total accumulated depreciation	<u>(22,800,943)</u>	<u>(1,085,609)</u>	<u>108,543</u>	<u>(23,778,009)</u>
Total capital assets, being depreciated, net	<u>20,247,190</u>	<u>(534,354)</u>	<u>(22,569)</u>	<u>19,690,267</u>
Business-type activities capital assets, net	<u>\$ 23,676,558</u>	<u>\$ (145,641)</u>	<u>\$ (28,954)</u>	<u>\$ 23,501,963</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 378,871
Public Safety	1,102,842
Public Works	6,517,045
Health and Welfare	6,444
Libraries	535,120
Parks and Recreation	349,396
Education	5,421,306
Total depreciation expense-governmental activities	<u>\$ 14,311,024</u>
Business-type activities:	
Water	<u>\$ 1,085,609</u>

Construction commitments: The City has several active construction projects as of June 3. The following is a summary of capital projects (in thousands) as of June 30:

	Project Authorization	Cumulative Expenditures
Schools	\$ 95,385	\$ 92,521
Streets, bridges and building improvements	68,274	47,979
Capital and nonrecurring	55,317	46,530
Total	<u>\$ 218,976</u>	<u>\$ 187,030</u>

The commitments are being financed with general obligation bonds and state and federal grants.

Discretely presented component units: Activity for the Bristol-Burlington Health District for the year ended June 30, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Furniture and equipment	\$ 249,921	\$ 45,568	\$ (13,703)	281,786
Less accumulated depreciation for:				
Furniture and equipment	(206,633)	(46,385)	17,379	(235,639)
District capital assets, net	<u>\$ 43,288</u>	<u>\$ (817)</u>	<u>\$ 3,676</u>	<u>\$ 46,147</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 6. Interfund Receivables, Payables and Transfers

At June 30, interfund receivables and payables were comprised of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 727,276
Nonmajor Governmental Funds	General Fund	60,301
Internal Service Funds	Nonmajor Governmental Funds	922,764
Internal Service Funds	General Fund	13,776
Internal Service Funds	Pension Trust Funds	249,500
Total		<u><u>\$ 1,973,617</u></u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement-type transactions. All balances are expected to be repaid within a year.

Interfund transfers:

	Transfers in				Total Transfers Out
	General Fund	Debt Service Fund	Capital Projects	Nonmajor Governmental	
Transfers out:					
General Fund	\$ -	\$ 8,000,000	\$ 1,009,065	\$ 4,784,254	\$ 13,793,319
Debt Service Fund	-	-	500,000		500,000
Capital Projects Fund	-	-	-	75,000	75,000
Nonmajor Governmental Funds	74,132	115,275	1,665,225	143,962	1,998,594
Total transfers in	<u>\$ 74,132</u>	<u>\$ 8,115,275</u>	<u>\$ 3,174,290</u>	<u>\$ 5,003,216</u>	<u>\$ 16,366,913</u>

Transfers are for regularly recurring operational transfers. Interfund transfers are used to 1) move revenues from the General Fund to the Debt Service Fund to pay for principal and interest on debt, 2) supplement revenues of other funds such as the Capital Projects Fund for the projects that have been closed out.

Note 7. Leases

Operating leases: The City leases computers under noncancelable operating leases. Total costs for such leases were \$759,968 for the year ended June 30. The future minimum lease payments for these leases are as follows:

Years ending June 30:	
2017	\$ 715,158
2018	423,960
2019	184,064
2020	61,169

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities

Changes in long-term liabilities: Long-term liability activity for the year ended June 30, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and loans payable:					
General obligation bonds and Clean Water Fund loans	\$ 64,164,390	\$ 9,841,097	\$ 13,796,784	\$ 60,208,703	\$ 6,462,235
Premium on general obligation bonds	2,786,436	488,252	321,536	2,953,152	-
Total bonds payable	66,950,826	10,329,349	14,118,320	63,161,855	6,462,235
Compensated absences	7,303,304	1,197,433	412,769	8,087,968	1,286,918
Landfill post closure care	1,562,944	1,313	63,000	1,501,257	63,000
Net OPEB obligation	28,307,518	2,921,304	-	31,228,822	-
Net pension liability	-	9,428,337	-	9,428,337	-
Unpaid claims	13,538,929	31,661,961	32,899,895	12,300,995	6,713,469
Total governmental activities long-term liabilities	-	\$ 55,539,697	\$ 47,493,984	\$ 125,709,234	\$ 14,525,622
Business-type Activities					
Bonds and loans payable:					
General obligation bonds and Clean Water Fund loans	\$ 2,951,000	\$ 193,000	\$ 678,000	\$ 2,466,000	\$ 476,000
Premium on general obligation bonds	184,864	15,101	25,795	174,170	25,795
Notes payable	516,236	344,155	92,398	767,993	35,796
Total bonds payable and notes payable	3,652,100	552,256	796,193	3,408,163	537,591
Compensated absences	297,065	30,747	15,747	312,065	53,327
Total business-type activities	\$ 3,949,165	\$ 583,003	\$ 811,940	\$ 3,720,228	\$ 590,918
Component Unit					
Compensated absences	\$ 91,462	\$ 18,456	\$ 24,039	\$ 85,879	\$ 47,893

For the governmental activities, compensated absences and OPEB obligations are generally liquidated by the general fund.

Bond anticipation notes: Bond anticipation notes payable activity for the year ended June 30, was as follows:

Description	Issue Date	Maturity Date	Interest Rate %	Beginning Balance	Additions	Reductions	Ending Balance
Bond anticipation notes	10/27/14	07/23/15	1.00%	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
Bond anticipation notes	07/23/15	04/21/16	1.00%	-	4,700,000	4,700,000	-
Bond anticipation notes	04/21/16	01/20/17	1.00%	-	4,500,000	-	4,500,000
Total				\$ 5,000,000	\$ 9,200,000	\$ 9,700,000	\$ 4,500,000

Bond anticipation notes payable are issued to finance purchase of land, demolition and other work at the Bristol Centre Mall site.

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Bonds and notes payable at June 30, were comprised of the following:

Description	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Balance Outstanding June 30, 2016
General City bonds					
General improvement:					
2009	02/15/09	02/15/17	2.00-4.18	\$ 8,515,000	\$ 530,000
2011	06/27/11	08/01/30	2.00-4.00	8,637,000	6,817,000
2012 refunding	08/11/11	07/15/22	3.00-5.00	15,589,000	11,839,000
2015 refunding	11/17/15	10/15/24	3.00-5.00	4,126,000	4,126,000
Total general improvement bonds					<u>23,312,000</u>
School:					
2005 refunding	06/15/05	10/15/18	2.70-5.00	10,635,000	-
2009	02/15/09	02/15/17	2.00-4.18	385,000	25,000
2011	06/27/11	08/01/30	2.00-4.00	25,550,000	20,170,000
2012 refunding	08/11/11	07/15/22	3.00-5.00	6,234,000	4,856,000
2015 refunding	11/17/15	10/15/24	3.00-5.00	2,991,000	2,991,000
Total school bonds					<u>28,042,000</u>
Sewers:					
2011	06/27/11	08/01/30	2.00-4.00	5,400,000	4,260,000
Capital projects funds:					
Clean water fund notes 498-D/C	06/30/02	06/30/21	2.00	1,483,000	424,148
Clean water fund notes 415-D/C	06/30/02	06/30/21	2.00	1,410,000	403,033
Clean water fund notes 504-C	12/31/03	12/31/22	2.00	1,488,000	545,075
Clean water fund notes 562-C	11/30/04	11/30/23	2.00	694,000	287,274
Clean water fund notes 464-C	05/31/06	03/31/26	2.00	470,000	253,533
Clean water fund notes 622-CSL	1/1/2016	1/31/2035	2.00	631,833	589,375
Interim Funding Obligation 640-DC	03/03/16	N/A	N/A	7,781,601	2,092,265
Total capital projects level debt					<u>4,594,703</u>
Total general city serial bonds and clean water fund loans					<u>60,208,703</u>
Water Department					
Enterprise fund bonds:					
Water 2005 refunding	06/15/05	10/15/18	2.70-5.00	2,315,000	-
Water 2011	06/27/11	08/01/30	2.00-4.00	813,000	633,000
Water 2012 refunding	08/11/11	07/15/22	3.00-5.00	2,112,000	1,640,000
Water 2015 refunding	11/17/15	10/15/18	3.00-5.00	193,000	193,000
Total water fund bonds					<u>2,466,000</u>
Water 2014 notes	12/31/14	12/31/33	2.00	501,000	444,591
Water 2015 Notes	9/30/15	03/31/35	2.00	344,155	323,402
Total water fund notes					<u>767,993</u>
Total water department enterprise fund bonds and notes					<u>3,233,993</u>
Total indebtedness					<u>\$ 63,442,696</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Notes and bonds payable are secured by the general revenue raising powers of the City. The annual requirements to pay long-term obligations at June 30, are as follows:

General Fund	Principal	Interest	Total
2017	\$ 5,879,000	\$ 1,913,160	\$ 7,792,160
2018	5,836,000	1,549,735	7,385,735
2019	5,816,000	1,358,295	7,174,295
2020	4,906,000	1,162,830	6,068,830
2021	4,915,000	968,010	5,883,010
2022-2026	15,012,000	2,797,741	17,809,741
2027-2031	8,990,000	896,753	9,886,753
Total	<u>\$ 51,354,000</u>	<u>\$ 10,646,524</u>	<u>\$ 62,000,524</u>

Sewer Operating and Assessment Fund	Principal	Interest	Total
2017	\$ 285,000	\$ 141,328	\$ 426,328
2018	283,000	132,798	415,798
2019	283,000	125,723	408,723
2020	283,000	115,818	398,818
2021	283,000	105,913	388,913
2022-2026	1,418,000	398,883	1,816,883
2027-2031	1,425,000	142,144	1,567,144
Total	<u>\$ 4,260,000</u>	<u>\$ 1,162,607</u>	<u>\$ 5,422,607</u>

Capital Projects Fund	Principal	Interest	Total
2017	\$ 324,749	\$ 47,083	\$ 371,832
2018	331,304	40,528	371,832
2019	337,991	33,840	371,831
2020	344,814	27,018	371,832
2021	351,773	20,059	371,832
2022-2026	512,337	48,755	561,092
2027-2031	168,178	21,817	189,995
2032-2035	131,292	4,870	136,162
Total*	<u>\$ 2,502,438</u>	<u>\$ 243,970</u>	<u>\$ 2,746,408</u>

* The City is using interim funding during the construction of the Clean Water Projects that will be converted from interim financing to long-term financing in the future. The amortization amounts of \$2,092,265 are unknown at this time and are excluded from the table.

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Water Enterprise Fund - Bonds	Principal	Interest	Total
2017	\$ 476,000	\$ 86,410	\$ 562,410
2018	281,000	72,655	353,655
2019	281,000	62,045	343,045
2020	281,000	51,015	332,015
2021	282,000	38,765	320,765
2022-2026	655,000	74,933	729,933
2027-2031	210,000	20,948	230,948
Total	<u>\$ 2,466,000</u>	<u>\$ 406,771</u>	<u>\$ 2,872,771</u>

Water Enterprise Fund - Notes	Principal	Interest	Total
2017	\$ 35,796	\$ 15,033	\$ 50,829
2018	36,518	14,310	50,828
2019	37,256	13,573	50,829
2020	38,007	12,821	50,828
2021	38,776	12,054	50,830
2022-2026	205,934	48,210	254,144
2027-2031	227,573	26,571	254,144
2032-2036	148,133	4,811	152,944
Total	<u>\$ 767,993</u>	<u>\$ 147,383</u>	<u>\$ 915,376</u>

The City's indebtedness does not exceed the legal debt limitations as established by Connecticut General Statutes as reflected in the following schedule (in thousands):

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 301,644,000	\$ 69,117,106	\$ 232,526,894
Schools	603,288,000	52,425,721	550,862,279
Sewers	502,740,000	13,819,981	488,920,019
Urban renewal	435,708,000	-	435,708,000
Pension deficit	402,192,000	-	402,192,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$938,448,000.

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-term Liabilities (Continued)

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. Bonds authorized but not issued are as follows:

General purpose	\$ 41,305,106
Schools	83,169,965
Sewers	17,000,000
	<u>\$ 141,475,071</u>

2016 General Obligation Refunding Bond- In-Substance Defeasance: On November 17, 2015, the City issued \$7,310,000 of general obligation refunding bonds with an average interest rate of 4%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the City dated 2005 and 2009 (the "Refunded Bonds"). Net proceeds of \$7,669,808 (after payment of expenses of \$113,544), was placed in an irrevocable trust under an Escrow Agreement dated November 17, 2015 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption prices of the Refunded Bonds on the date the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$384,884, and a cash savings of \$427,354 between the old debt payments and the new debt payments.

At June 30, 2016, there was \$4,573,056 in escrow. The balance of the defeased bonds was approximately \$4,440,000 at June 30, 2016. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Note 9. Landfill Closure

The City entered into a landfill lease agreement with Ogden Martin Systems of Bristol, Inc. (the Company), now known as Covanta, Bristol, Inc. (Covanta), whereby the City leased to the Company a landfill adjacent to the facility site in the City. The City is currently collecting fees for the interim period until the official Certificate of Closure is issued. Further, the Company, pursuant to a service agreement with BRRFOC has passed all costs of properly closing the City's landfill site to the BRRFOC and the related contracting communities. Solid waste landfill closure and post closure care requirements have been established by the State of Connecticut Department of Environmental Protection Agency and the Federal Environmental Protection Agency. The costs associated with monitoring and maintaining the landfill area during the post closure period are the responsibility of the City. The projected costs of this post closure period is \$1,501,257 as of June 30, 2016. These projected costs could be impacted by future inflation and regulations. The landfill was closed prior to July 1, 2002. Between 1979 and 1983 one part of the site received metal hydroxide slurry from local metal plating companies. This area was closed in 1986 and covered with a membrane cap as required by the Resource Conservation and Recovery Act.

City of Bristol, Connecticut

Notes to Financial Statements

Note 10. Risk Management

The City is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City generally obtains commercial insurance for these risks but has chosen to retain the risks for employee health and medical claims. The City has also retained risk for workers' compensation claims for fiscal years July 1, 1985 through June 30, 1998 and July 1, 2004 through June 30, 2011. The Health Benefits and Worker's Compensation Internal Service Fund is utilized to report this self-insurance activity. CIGNA administers the medical, Medco administers the prescription and Anthem Blue Cross/Blue Shield administers the dental plan, for which the City pays a fee. All funds of the City contribute to the Internal Service Fund based upon actuarial and insurance carrier estimates. The claims liability of \$12,300,995 reported in the Internal Service Fund at June 30, 2016, is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payment	Liability June 30,
2014-2015	\$ 10,055,000	\$ 38,880,741	\$ 35,396,812	\$ 13,538,929
2015-2016	13,538,929	31,661,961	32,899,895	12,300,995

Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years.

City of Bristol, Connecticut

Notes to Financial Statements

Note 11. Fund Balance (Deficits)

The components of fund balance (deficits) for the governmental funds at June 30 are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Fund balances (deficits):					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 75,495	\$ 75,495
Prepays	8,817	-	-	-	8,817
Trust purpose	-	-	-	848,068	848,068
Total non-spendable	8,817	-	-	923,563	932,380
Restricted:					
Grants	-	-	-	4,906,176	4,906,176
Debt service	-	643,438	-	-	643,438
Total restricted	-	643,438	-	4,906,176	5,549,614
Committed:					
Landfill closure	564,919	-	1,851,096	-	2,416,015
Compensated absences	2,500,000	-	-	190,552	2,690,552
Capital and nonrecurring	-	-	924,917	-	924,917
Capital and nonrecurring WPCA	-	-	2,085,620	-	2,085,620
Equipment	-	-	-	3,946,833	3,946,833
Education	-	-	-	721,515	721,515
Manross Memorial Library	-	-	-	705,088	705,088
Sewer	-	-	-	4,340,943	4,340,943
Solid waste disposal	-	-	-	576,624	576,624
Pine Lake challenge course	-	-	-	122,154	122,154
Transfer station	-	-	-	329,122	329,122
Open space	-	-	-	4,028	4,028
Centre mall	-	-	-	420,878	420,878
Trust purpose	-	-	-	253,143	253,143
Total committed	3,064,919	-	4,861,633	11,610,880	19,537,432
Assigned:					
General government- carryover	3,936,109	-	-	152,698	4,088,807
General government encumbrances- furniture	15,469	-	-	-	15,469
Public Safety encumbrances - uniforms	28,160	-	-	-	28,160
Public Works encumbrances- fleet	338,565	-	-	-	338,565
Health & welfare encumbrances	1,180	-	-	-	1,180
Libraries encumbrances- books & media	8,851	-	-	-	8,851
Parks and Recreation encumbrances	4,117	-	-	-	4,117
Miscellaneous encumbrances	13,478	-	-	-	13,478
Total assigned	4,345,929	-	-	152,698	4,498,627
Unassigned	28,737,167	-	(15,716,475)	(390)	13,020,302
Total unassigned	28,737,167	-	(15,716,475)	(390)	13,020,302
Total fund balances (deficits)	\$ 36,156,832	\$ 643,438	\$ (10,854,842)	\$ 17,592,927	\$ 43,538,355

Significant encumbrances at June 30, 2016 are contained in the above table in the assigned category of the General Fund.

City of Bristol, Connecticut

Notes to Financial Statements

Note 12. Contingent Liabilities

The City is a defendant in a number of lawsuits. Based on Counsel's review of all asserted claims for damages, the City is of the opinion that resolution of all lawsuits against the City will not significantly affect its financial position.

The City participates in a number of State and Federal grant programs that are subject to program compliance audits by the grantor agencies. Such audits could lead to requests for reimbursement of expenditures disallowed under the terms of the grants. As of June 30, 2016, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

Note 13. Other Post-Employment Benefits

Plan description: The City provides certain health care and life insurance benefits for retired employees in accordance with City Council resolutions and bargaining agreements. All regular active employees who retire directly from the City and meet eligibility criteria may participate. Benefit provisions are established through negotiations between the City and the various unions representing the employees. The other postemployment benefits plan is a single-employer defined benefit healthcare plan administered by the City. The City does not issue stand-alone financial statements for this program.

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

	Retiree Healthcare Plan
Active plan members	1,517
Retired members	496
Total participants	<u>2,013</u>

Funding policy: The City has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits. The fund 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.

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

Annual OPEB cost and net OPEB obligations: The City'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 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:

	Retiree Healthcare Plan
Annual required contribution	\$ 7,308,579
Interest on net OPEB obligation	1,415,376
Adjustment to annual required contribution	(1,841,445)
Annual OPEB cost	<u>6,882,510</u>
Contributions made	<u>3,961,206</u>
Increase in net OPEB obligation	2,921,304
Net OPEB obligation, beginning of year	<u>28,307,518</u>
Net OPEB obligation, end of year	<u><u>\$ 31,228,822</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) is presented below:

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2014	\$ 8,205,000	\$ 6,722,000	81.9%	\$ 25,621,847
6/30/2015	6,622,558	3,936,887	59.4%	28,307,518
6/30/2016	6,882,510	3,961,206	57.6%	31,228,822

Schedule of funding progress:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a as a % of Covered Payroll ((a-b)/c)
07/01/14	\$ 4,439,558	\$ 60,732,614	\$ (56,293,056)	7.3%	\$ 96,520,538	(58.3%)

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

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 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.

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 costs 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 ARC reflects a closed 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 5% investment rate of return and inflation rate of 3%. The annual healthcare cost trend rate is 10% initially, grading down to 4.5% in year 2023 and thereafter.

Historical Trend Information: The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-trend information about whether the actuarial values of plan assets are increasing or decreasing overtime relative to AALs for benefits.

Note 14. Employee Retirement Systems and Pension Plans

Plan description: The City is the administrator of three single-employer Public Employee Retirement Systems (PERS) as presented below:

City of Bristol Retirement System	General City employees
Firefighters' Benefit Fund	Firefighter employees
Police Benefit Fund	Police employees

The PERS are considered to be part of the City's financial reporting entity and are included in the City's financial reports as pension trust funds. There are no stand-alone financial statements issued for the PERS. These plans were established and can be amended under the authority of the City Charter.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The management of the City retirement system is vested in a retirement board consisting of ten (10) members, as follows: A member of the City Council, a member of the Board of Finance, the comptroller, the treasurer, three (3) electors of the City, none of whom shall be an officer or employee of the City, one elector of the City who shall be a member of the City's employees' local number 1338 of the American Federation of State, County and Municipal Employees, AFL-CIO, one elector of the City who shall be a member of the City's employees' Bristol Professionals and Supervisors Association (BPSA), and the mayor, ex officio. All members, except the comptroller, the treasurer and the mayor, shall be nominated by the mayor and confirmed by the City Council. The members representing the City Council and the Board of Finance shall be appointed for terms of two (2) years and three (3) years, respectively. The others members of the retirement board shall be appointed for five-year terms. The term of office of each appointed member shall continue until a successor is appointed and has qualified. In the event of a vacancy on such board, such vacancy shall be filled in the same manner as the member to be succeeded was appointed or elected. In no event shall any person remain a member of such retirement board except during the time he continues to be a member of the board or body from which he was appointed or elected.

**Combining Statement of Net Position
June 30, 2016**

	Employee Retirement Funds			Total
	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund	
Assets				
Cash and cash equivalents	\$ 14,271,197	\$ 12,135,005	\$ 13,029,972	\$ 39,436,174
Investments	180,521,636	164,640,383	176,613,300	521,775,319
Receivables, net	44,000	-	-	44,000
Total assets	194,836,833	176,775,388	189,643,272	561,255,493
Liabilities				
Accounts payable	20,003	14,233	13,153	47,389
Due to other funds	-	-	249,500	249,500
Total liabilities	20,003	14,233	262,653	296,889
Net position				
Restricted for pension benefits	194,816,830	176,761,155	189,380,619	560,958,604
Total net position	\$ 194,816,830	\$ 176,761,155	\$ 189,380,619	\$ 560,958,604

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Combining Statement of Changes in Plan Net Position
Year Ended June 30, 2016

	Employee Retirement Funds			Total
	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund	
Additions:				
Contributions:				
Employer	\$ 44,000	\$ -	\$ -	\$ 44,000
Plan members	1,916,440	214,752	451,452	2,582,644
Total contributions	1,960,440	214,752	451,452	2,626,644
Investment income:				
Net depreciation in fair value of investments	(5,341,691)	(4,682,091)	(5,054,908)	(15,078,690)
Interest and dividends	3,246,354	2,843,838	3,069,750	9,159,942
Total investment income (loss)	(2,095,337)	(1,838,253)	(1,985,158)	(5,918,748)
Less investment expenses	(259,896)	(61,788)	(66,705)	(388,389)
Net investment income (loss)	(2,355,233)	(1,900,041)	(2,051,863)	(6,307,137)
Total additions	(394,793)	(1,685,289)	(1,600,411)	(3,680,493)
Deductions:				
Benefits	12,729,562	3,839,239	5,830,138	22,398,939
Administration	1,191,700	1,038,819	1,118,430	3,348,949
Other	-	-	-	-
Total deductions	13,921,262	4,878,058	6,948,568	25,747,888
Change in net position	(14,316,055)	(6,563,347)	(8,548,979)	(29,428,381)
Net position - beginning of year	209,132,885	183,324,502	197,929,598	590,386,985
Net position - end of year	\$ 194,816,830	\$ 176,761,155	\$ 189,380,619	\$ 560,958,604

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

At July 1, 2015, PERS membership consisted of:

	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund
Retirees, disabled and beneficiaries currently receiving benefits	531	97	118
Terminated employees entitled to benefits but not yet receiving them	73	1	3
Current employees	704	85	123
Total	1,308	183	244

The City of Bristol Retirement System covers all full-time employees (except firefighters, police officers and teachers) who are under age 65 on their date of employment. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Employees who retire at normal retirement (age plus service equal to 80, minimum age 55) receive a retirement benefit for life of 2.40% of average annual pay times number of completed years of service. If an employee leaves employment or dies before meeting vesting requirements, accumulated employee contributions and interest are refunded.

The Firefighters' Benefits Fund covers all members of the Fire Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Fire Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund. Fire employees who retire at normal retirement (the earlier of age 65 or 25 years of continuous service) receive a retirement benefit for life of 70% of base pay (including ¼ of an employee's unused sick leave paid out at the time of retirement), adjusted for cost of living. The cost-of-living escalation is limited to a 2.25% increase per year. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

The Police Benefit Fund covers all members of the Police Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Police Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Police employees who retire at normal retirement (the earlier of age 65 or 25 years of continuous service) receive a retirement benefit for life of 70% of the compensation paid to the member in the year prior to retirement, adjusted for escalation. The pension benefit formula is 70% of a member's compensation (base pay). Base pay shall include ¼ of an employee's unused sick leave paid out at the time of retirement if applicable.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The PERS also provides for automatic post-retirement increases on retiree pensions. The pension shall be adjusted by one-half of the pay increase awarded to a then-active member in the same grade as the retiree last held. The cost-of-living escalation is limited to a 2.25% increase per year. Member's contributions are returnable on termination or on death while active, or after retirement (less any benefits paid), provided in each case that no death benefits are otherwise payable.

Summary of significant accounting policies and plan asset matters:

Basis of accounting: Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Administrative costs of the plans are paid from pension fund resources.

Contributions: Employees covered under the City of Bristol Retirement System are required to contribute 6% of their base pay to the PERS.

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2016, the City was required to make a contribution of \$352,543. Benefits and employee contributions are fixed by union contract and may be amended by union negotiations.

Fire employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2016, the City was not required to make a contribution. Benefits and employee contributions are fixed by union contract and may be amended by union negotiations.

Police employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2016, the City was not required to make a contribution. Benefits and employee contributions are fixed by union contract and may be amended by union negotiations.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. It is the policy of the Retirement 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 as of June 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Intermediate Term Bonds	21.3%
High Yield Bonds	7.6%
Large Cap US Equities	30.0%
Mid Cap US Equities	2.5%
Small Cap US Equities	2.5%
Developed Foreign Equities	13.6%
Emerging Market Equities	7.5%
Private Equities	5.0%
Hedge Funds/Absolute Return	10.0%
Total	<u>100.0%</u>

Rate of return: For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.47%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability (asset) of the City: The components of the net pension liability (asset) of the City at June 30, 2016, were as follows:

	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund
Total pension liability	\$ 204,245,167	\$ 71,680,982	\$ 115,955,470
Plan fiduciary net position	194,816,830	176,761,155	189,380,619
Net pension liability (asset)	<u>\$ 9,428,337</u>	<u>\$ (105,080,173)</u>	<u>\$ (73,425,149)</u>

Plan fiduciary net position as a percentage of the total pension liability (asset)	95.38%	246.59%	163.32%
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City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Liability (Asset)

	City of Bristol Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/15	\$ 198,811,928	\$ 209,132,881	\$ (10,320,953)
Changes for the year:			
Service cost	4,362,700	-	4,362,700
Interest on total pension liability	14,701,745	-	14,701,745
Effect of economic/demographic gains or losses	(901,644)	-	(901,644)
Benefit payments	(12,729,562)	(12,729,562)	-
Employer contributions	-	44,000	(44,000)
Member contributions	-	1,916,440	(1,916,440)
Net investment income	-	(3,546,929)	3,546,929
Net changes	5,433,239	(14,316,051)	19,749,290
Balances at 6/30/16	<u>\$ 204,245,167</u>	<u>\$ 194,816,830</u>	<u>\$ 9,428,337</u>

Changes in the Net Pension Asset

	Firefighters' Benefits Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 6/30/15	\$ 71,041,708	\$ 183,324,500	\$ (112,282,792)
Changes for the year:			
Service cost	1,561,703	-	1,561,703
Interest on total pension liability	5,137,347	-	5,137,347
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(2,220,537)	-	(2,220,537)
Benefit payments	(3,839,239)	(3,839,239)	-
Member contributions	-	214,752	(214,752)
Net investment income	-	(2,938,858)	2,938,858
Net changes	639,274	(6,563,345)	7,202,619
Balances at 6/30/16	<u>\$ 71,680,982</u>	<u>\$ 176,761,155</u>	<u>\$ (105,080,173)</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Asset

	Police Benefit Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 6/30/15	\$ 110,143,364	\$ 197,929,600	\$ (87,786,236)
Changes for the year:			
Service cost	2,353,115	-	2,353,115
Interest on total pension liability	8,296,970	-	8,296,970
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	992,159	-	992,159
Benefit payments	(5,830,138)	(5,830,138)	-
Member contributions	-	451,452	(451,452)
Net investment income	-	(3,170,295)	3,170,295
Net changes	5,812,106	(8,548,981)	14,361,087
Balances at 6/30/16	<u>\$ 115,955,470</u>	<u>\$ 189,380,619</u>	<u>\$ (73,425,149)</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund
Actuarial valuation date	July 1, 2015	July 1, 2015	July 1, 2015
Measurement date	June 30, 2016	June 30, 2016	June 30, 2016
Inflation	2.75%	2.75%	2.75%
Salary increases including inflation	Graded salary growth with an ultimate rate of 3.5%	Graded salary growth with an ultimate rate of 3.5%	Graded salary growth with an ultimate rate of 3.5%
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

Mortality rates were based on the RP-2000 Mortality for Employees and Healthy with generational projection per Scale AA.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period June 30, 2006-June 30, 2010.

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, 2016 (see the discussion of the pension plan's investment policy), are summarized in the following table:

<u>Asset Class</u>	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
Intermediate Term Bonds	2.23%	2.12%
High Yield Bonds	4.55%	4.01%
Large Cap US Equities	5.11%	3.86%
Mid Cap US Equities	5.66%	4.01%
Small Cap US Equities	6.26%	4.25%
Developed Foreign Equities	6.04%	4.35%
Emerging Market Equities	8.19%	4.84%
Private Equities	9.16%	5.28%
Hedge Funds/Absolute Return	2.17%	1.86%
Assumed Inflation - Mean	2.75%	2.75%
Assumed Inflation - Standard Deviation	1.89%	1.89%
Assumed Investment Management Fees	-0.10%	-0.10%
Portfolio Real Mean Return	4.77%	4.03%
Portfolio Nominal Mean Return	7.43%	6.78%
Portfolio Standard Deviation	0.00%	11.96%
Long-term expected rate of return		7.50%

Discount rate: The discount rate used to measure the total pension liability was 7.50%. 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 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 Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability of the City's Pension Plans, calculated using the discount rate of 7.50%, as well as what the City's Pension Plans 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:

Net pension liability (asset)	1% Decrease	Current	1% Increase
	6.50%	Discount Rate 7.50%	8.50%
City of Bristol Retirement System	\$ 31,197,061	\$ 9,428,337	\$ (9,181,661)
Firefighters' Benefit Fund	(96,458,296)	(105,080,173)	(112,293,290)
Police Benefit Fund	(58,301,662)	(73,425,149)	(85,895,477)

For the fiscal year ended June 30, 2016, the recognized pension expense is \$9,849,047. As of June 30, 2016, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources			
	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund	Total
Net difference between projected and actual earnings on pension plan investments	\$ 25,772,381	\$ 22,384,149	\$ 24,151,222	\$ 72,307,752
Differences between expected and actual experience	56,723	1,097,622	850,422	2,004,767
Total	\$ 25,829,104	\$ 23,481,771	\$ 25,001,644	\$ 74,312,519

	Deferred Inflows of Resources			
	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund	Total
Differences between expected and actual experience	\$ (740,636)	\$ (1,884,092)	\$ (4,198,340)	\$ (6,823,068)
Total	\$ (740,636)	\$ (1,884,092)	\$ (4,198,340)	\$ (6,823,068)

Net deferred outflows/(inflows) of resources	\$ 25,088,468	\$ 21,597,679	\$ 20,803,304	\$ 67,489,451
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City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

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

Year ended June 30,	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund	Total
2017	\$ 7,189,425	\$ 6,249,960	\$ 6,129,693	\$ 19,569,078
2018	7,189,425	6,249,960	6,129,693	19,569,078
2019	7,189,427	6,249,961	6,129,692	19,569,080
2020	3,616,795	3,203,172	2,830,476	9,650,443
2021	(96,604)	(153,507)	(557,987)	(808,098)
Thereafter*	-	(201,867)	141,737	(60,130)
Total	\$ 25,088,468	\$ 21,597,679	\$ 20,803,304	\$ 67,489,451

Connecticut State Teachers' Retirement System: Certified staff within the City's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$13,692,000 payments made by the State of Connecticut on-behalf of the City. The City does not have any liability for teacher pensions.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member 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 is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6.00% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2015/2016 school year, \$4,063,218 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$56,837,000.

Actuarial assumptions: 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 total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 Percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 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 Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The long-term expected rate of return on pension 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 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 asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.00%	7.30%
Developed non-U.S. equities	18.00%	7.50%
Emerging Markets (non-U.S.)	9.00%	8.60%
Core Fixed Income	7.00%	1.70%
Emerging Market Debt	5.00%	4.80%
High Yield	5.00%	3.70%
Inflation Linked Bonds	3.00%	1.30%
Liquidity Fund	6.00%	0.40%
Real Estate	7.00%	5.90%
Private Equity	11.00%	10.90%
Alternative Investments	8.00%	0.70%
	100.00%	

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

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State's proportionate share of the NPL of the System, calculated using the discount rate of 8.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate. The City has no obligation for the NPL.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's share of NPL associated with the City	\$192,829,006	\$152,907,734	\$118,974,287

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the net pension liability that was associated with the City was \$152,907,734 and 100% of the collective net pension liability is allocated to the State.

June 30, 2014, is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$13,692,000 payments made by the State of Connecticut on-behalf of the City. The City does not have any liability for teacher pensions.

Note 15. Governmental Accounting Standards Board (GASB) Statements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

- *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.

City of Bristol, Connecticut

Notes to Financial Statements

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
- Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs. Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.
- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.
- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

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**Required Supplementary
Information - Unaudited**

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual (in thousands)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Property Taxes						
Current levy	\$ 130,911	\$ 500	\$ 131,411	\$ 131,438	\$ 27	\$ 131,309
Prior levy	1,000	400	1,400	1,489	89	1,328
60-Day GAAP	-	-	-	184	184	-
Interest and penalties	575	300	875	921	46	954
Total property taxes	132,486	1,200	133,686	134,032	346	133,591
Licenses, Permits and Fees						
Assessors' late filing fees	1	-	1	1	-	2
Circuit Court fines	2	-	2	11	9	6
Dog penalties	1	-	1	1	-	1
Merchandising licenses	2	-	2	4	2	3
Animal licenses	8	-	8	8	-	7
Marriage licenses	2	-	2	2	-	2
Fees	78	-	78	41	(37)	127
Notary services	4	-	4	3	(1)	4
Burial permits	2	-	2	2	-	2
Trade names	1	-	1	1	-	1
Vital statistics	118	-	118	132	14	132
Parking violations	55	-	55	53	(2)	39
Alarm fees	15	-	15	18	3	19
Police report fees	12	-	12	13	1	10
Building permits	529	400	929	941	12	583
PW excavating permits	7	-	7	10	3	8
Surcharges	3	-	3	-	(3)	-
Land use fees and permits	13	-	13	15	2	17
BBHD code enforcement fees	3	-	3	5	2	3
Library fines	20	-	20	22	2	23
Total licenses, permits and fees	876	400	1,276	1,283	7	989
State and Federal Grants						
State grants-in-aid:						
State Owned Property (PILOT)	92	-	92	-	(92)	96
State Grant: Elderly Freeze	4	-	4	4	-	6
Tax Relief Elderly/Disabled Homeowner	340	-	340	352	12	343
Private Hospitals (PILOT)	557	-	557	404	(153)	581
Tax Relief Totally Disabled	10	-	10	14	4	13
Additional Tax Relief: Veterans	30	-	30	29	(1)	31
Enterprise Zone Reimbursement	180	-	180	174	(6)	166
Town Aid Road Transportation	665	-	665	664	(1)	665
Mashantucket Pequot Grant	598	-	598	600	2	592
PILOT	-	-	-	-	-	55
Off-track Betting	70	-	70	64	(6)	66
Municipal Grant in Aid	-	2,487	2,487	2,487	-	2,339
Utilities Tax	100	-	100	118	18	130

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016					2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
State and Federal Grants (Continued)						
Youth Services Bureau	\$ 50	\$ -	\$ 50	\$ 46	\$ (4)	\$ 50
Youth Services Bureau - Enhancement	-	7	7	7	-	7
Juvenile Diversion Grant	-	30	30	30	-	15
E911 Subsidy Grant	134	-	134	135	1	135
School Readiness Grant/Quality Enhancement	-	2,925	2,925	2,894	(31)	2,803
Education Cost Sharing	41,657	-	41,657	41,644	(13)	41,512
Transportation Child- Public	419	-	419	405	(14)	413
Medicaid Coordination	100	150	250	251	1	418
Excess Cost Student Based	2,600	-	2,600	1,471	(1,129)	2,600
Health Serv. PA 481/Private Sch Health Reimb.	250	-	250	237	(13)	285
Transportation School Child- Nonpublic	77	-	77	160	83	75
Miscellaneous State Grants	6	57	63	64	1	76
Federal grants:						
Housing Authority (FED-PILOT)	-	-	-	-	-	94
FEMA disaster grant	-	-	-	-	-	147
Public Safety federal grant	10	-	10	19	9	2
Total state and federal grants	47,949	5,656	53,605	52,273	(1,332)	53,715
Charges for Services						
Copier charges	56	-	56	60	4	62
Code enforcement reimbursements	-	-	-	-	-	-
Water reimbursement fees	1	-	1	8	7	8
Foreclosure reimbursement fees	10	-	10	7	(3)	14
Recording fees	280	-	280	289	9	274
Real estate transfer tax	750	-	750	825	75	663
Department of Aging services	64	-	64	64	-	66
Public Safety charges for services	620	401	1,021	1,242	221	1,016
Animal Control charges	3	-	3	3	-	3
Miscellaneous charges for services	8	1	9	3	(6)	6
Public Works service and maps	309	-	309	335	26	362
Recycling permits	5	-	5	13	8	32
City building rentals	208	-	208	276	68	293
School tuition	150	70	220	70	(150)	245
Pool revenue	175	-	175	190	15	169
Park program	113	-	113	119	6	128
Total charges for services	2,752	472	3,224	3,504	280	3,341

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Investment Earnings						
Interest - General Fund	\$ 210	\$ 140	\$ 350	\$ 357	\$ 7	\$ 311
Interest - Miscellaneous A/R	3	-	3	9	6	7
Total investment earnings	<u>213</u>	<u>140</u>	<u>353</u>	<u>366</u>	<u>13</u>	<u>318</u>
Sale of Property and Equipment	<u>75</u>	<u>300</u>	<u>375</u>	<u>420</u>	<u>45</u>	<u>84</u>
Other Local Revenue						
Miscellaneous	20	856	876	1,140	264	1,307
Contributions Interdistrict Cooperative	-	76	76	76	-	58
Library trust funds	16	33	49	49	-	43
Park trust funds and gifts	421	63	484	484	-	535
Total other local revenue	<u>457</u>	<u>1,028</u>	<u>1,485</u>	<u>1,749</u>	<u>264</u>	<u>1,943</u>
Transfers in	<u>3</u>	<u>46</u>	<u>49</u>	<u>74</u>	<u>25</u>	<u>6</u>
Total revenues and other financing sources	<u>\$ 184,811</u>	<u>\$ 9,242</u>	<u>\$ 194,053</u>	193,701	<u>\$ (352)</u>	<u>\$ 193,987</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teacher's Retirement System for City teachers are not budgeted

13,692

13,776

Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances (deficits) - Governmental Funds - Exhibit IV

\$ 207,393

\$ 207,763

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Government						
City Council:						
Personnel services	\$ 58	\$ -	\$ 58	\$ 58	\$ -	\$ 58
Mayor's Office:						
Personnel services	161	(1)	160	159	(1)	166
Contractual services	76	-	76	60	(16)	58
Supplies	1	-	1	1	-	1
Capital outlay	-	1	1	1	-	33
Total mayor's office	238	-	238	221	(17)	258
Probate Court:						
Contractual services	32	2	34	32	(2)	21
Supplies	5	3	8	8	-	2
Total probate court	37	5	42	40	(2)	23
Registrar of Voters:						
Personnel services	200	(2)	198	193	(5)	171
Contractual services	23	7	30	29	(1)	52
Supplies	19	1	20	15	(5)	14
Capital Outlay	36	(6)	30	29	(1)	-
Total registrar of voters	278	-	278	266	(12)	237
Assessor:						
Personnel services	357	(9)	348	344	(4)	335
Contractual services	39	(3)	36	34	(2)	21
Supplies	2	-	2	2	-	2
Total assessor	398	(12)	386	380	(6)	358
Board of Assessment Appeals:						
Personnel services	5	-	5	5	-	5
Tax Collector:						
Personnel services	293	-	293	287	(6)	272
Contractual services	96	1	97	45	(52)	77
Supplies	1	-	1	1	-	-
Total tax collector	390	1	391	333	(58)	349
Purchasing:						
Personnel services	177	4	181	174	(7)	173
Contractual services	9	-	9	8	(1)	8
Total purchasing	186	4	190	182	(8)	181

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016					2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
General Government (Continued)						
Comptroller's Office:						
Personnel services	\$ 689	\$ (30)	\$ 659	\$ 619	\$ (40)	\$ 619
Contractual services	14	-	14	10	(4)	11
Supplies	1	-	1	1	-	1
Total comptroller's office	704	(30)	674	630	(44)	631
Treasurer:						
Personnel services	123	-	123	102	(21)	105
Contractual services	6	-	6	5	(1)	5
Supplies	1	-	1	1	-	1
Other/Misc.	35	-	35	6	(29)	-
Total treasurer	165	-	165	114	(51)	111
Information Systems:						
Personnel services	486	1	487	487	-	533
Contractual services	318	(4)	314	289	(25)	266
Supplies	10	-	10	9	(1)	13
Capital outlay	74	-	74	70	(4)	50
Total information systems	888	(3)	885	855	(30)	862
Personnel Department:						
Personnel services	423	40	463	463	-	416
Contractual services	100	20	120	119	(1)	93
Purch. professional services	6	2	8	8	-	10
Supplies	5	-	5	4	(1)	4
Capital outlay	-	-	-	-	-	4
Total personnel department	534	62	596	594	(2)	527
Corporation Counsel:						
Personnel services	397	3	400	400	-	378
Contractual services	204	(59)	145	140	(5)	188
Supplies	17	-	17	10	(7)	14
Total corporation counsel	618	(56)	562	550	(12)	580
City Clerk:						
Personnel services	337	-	337	324	(13)	297
Contractual services	78	-	78	68	(10)	65
Purch. prof. services	-	-	-	-	-	-
Supplies	2	-	2	2	-	2
Total city clerk	417	-	417	394	(23)	364

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016					2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
General Government (Continued)						
Board of Finance:						
Personnel services	\$ 1	\$ -	\$ 1	\$ 2	\$ 1	\$ 1
Contractual services	70	-	70	61	(9)	70
Total board of finance	71	-	71	63	(8)	71
Aging Department:						
Personnel services	383	-	383	354	(29)	348
Contractual services	218	57	275	242	(33)	247
Supplies	64	-	64	43	(21)	49
Capital outlay	-	-	-	-	-	-
Total aging department	665	57	722	639	(83)	644
Downtown Corporation (BDDC):						
Contractual services	30	-	30	30	-	30
NVCOG:						
Contractual services	26	-	26	26	-	4
Youth Services:						
Personnel services	272	-	272	265	(7)	261
Contractual services	122	37	159	153	(6)	141
Supplies	13	-	13	8	(5)	13
Total youth services	407	37	444	426	(18)	415
Interdistrict COOP:						
Personnel services	-	2	2	2	-	32
Contractual services	-	1	1	1	-	1
Purchased other services	-	72	72	72	-	25
Supplies	-	1	1	1	-	-
Total interdistrict COOP	-	76	76	76	-	58
Community Promotions:						
Contractual services	5	29	34	34	-	29
Other	25	-	25	25	-	15
Total community promotions	30	29	59	59	-	44

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016					2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
General Government (Continued)						
Boards and Commissions:						
Personnel services	\$ 7	\$ -	\$ 7	\$ 5	\$ (2)	\$ 4
Contractual services	1	-	1	-	(1)	-
Total boards and commissions	8	-	8	5	(3)	4
Total general government	6,153	170	6,323	5,946	(377)	5,814
Public Safety						
Police Department:						
Personnel services	13,558	548	14,106	13,682	(424)	13,328
Contractual services	593	15	608	548	(60)	552
Supplies	305	-	305	208	(97)	262
Capital outlay	70	(55)	15	14	(1)	16
Total police department	14,526	508	15,034	14,452	(582)	14,158
Fire Department:						
Personnel services	7,365	183	7,548	7,525	(23)	7,321
Contractual services	247	(10)	237	226	(11)	214
Supplies	181	(7)	174	160	(14)	187
Capital outlay	119	(3)	116	115	(1)	36
Total fire department	7,912	163	8,075	8,026	(49)	7,758
Animal Control:						
Personnel services	130	4	134	133	(1)	129
Contractual services	12	(2)	10	9	(1)	9
Supplies	5	-	5	4	(1)	4
Total animal control	147	2	149	146	(3)	142
Emergency Management:						
Personnel services	6	1	7	7	-	6
Contractual services	4	-	4	2	(2)	3
Supplies	5	-	5	5	-	8
Capital outlay	4	-	4	4	-	-
Total emergency management	19	1	20	18	(2)	17

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Public Safety (Continued)						
Building Inspection:						
Personnel services	\$ 510	\$ (1)	\$ 509	\$ 501	\$ (8)	\$ 472
Contractual services	9	2	11	7	(4)	9
Supplies	6	-	6	4	(2)	7
Total building inspection	525	1	526	512	(14)	488
Total public safety	23,129	675	23,804	23,154	(650)	22,563
Public Works						
Administration:						
Personnel services	347	(5)	342	335	(7)	337
Contractual services	8	5	13	10	(3)	8
Supplies	5	1	6	6	-	2
Total administration	360	1	361	351	(10)	347
Engineering:						
Personnel services	801	(11)	790	680	(110)	713
Contractual services	56	(21)	35	40	5	9
Supplies	4	-	4	3	(1)	3
Total engineering	861	(32)	829	723	(106)	725
Land Use:						
Personnel services	212	-	212	209	(3)	202
Contractual services	20	-	20	11	(9)	12
Supplies	4	(4)	-	1	1	1
Total land use	236	(4)	232	221	(11)	215
Maintenance:						
Personnel services	529	40	569	569	-	474
Contractual services	508	(24)	484	477	(7)	469
Supplies	157	(42)	115	100	(15)	197
Capital outlay	-	-	-	-	-	-
Total maintenance	1,194	(26)	1,168	1,146	(22)	1,140

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016					2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
Public Works (Continued)						
Streets Division:						
Personnel services	\$ 1,695	\$ (6)	\$ 1,689	\$ 1,500	\$ (189)	\$ 1,425
Contractual services	33	9	42	32	(10)	18
Supplies	181	(9)	172	126	(46)	138
Capital Outlay	11	1	12	11	(1)	-
Total streets division	1,920	(5)	1,915	1,669	(246)	1,581
Solid Waste Division:						
Personnel services	995	-	995	934	(61)	896
Contractual services	94	-	94	57	(37)	1,099
Supplies	18	-	18	10	(8)	37
Transfer out	-	-	-	-	-	(1,064)
Capital Outlay	27	-	27	23	(4)	-
Total solid waste division	1,134	-	1,134	1,024	(110)	968
Fleet Maintenance:						
Personnel services	629	(75)	554	554	-	545
Contractual services	320	164	484	484	-	520
Supplies	787	106	893	893	-	1,031
Capital Outlay	25	-	25	16	(9)	-
Total fleet maintenance	1,761	195	1,956	1,947	(9)	2,096
Snow Removal:						
Personnel services	300	(132)	168	168	-	330
Contractual services	364	(201)	163	148	(15)	489
Supplies	508	-	508	486	(22)	681
Capital Outlay	7	(7)	-	-	-	-
Total snow removal	1,179	(340)	839	802	(37)	1,500
Major Road Improvements:						
Personnel services	10	1	11	10	(1)	16
Contractual services	2,175	383	2,558	2,559	1	3,536
Total major road improvements	2,185	384	2,569	2,569	-	3,552
Railroad Maintenance:						
Contractual services	54	(30)	24	24	-	42

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016					2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
Public Works (Continued)						
Other City Buildings:						
Contractual services	\$ 109	\$ 75	\$ 184	\$ 180	\$ (4)	\$ 143
Supplies	96	(44)	52	51	(1)	71
Capital outlay	-	-	-	-	-	-
Total other city buildings	205	31	236	231	(5)	214
Perm Patch Utility Trenches:						
Contractual services	-	-	-	-	-	39
Public Works Fleet:						
Capital outlay	850	(20)	830	812	(18)	835
Public Works Line Painting:						
Personnel services	1	-	1	-	(1)	-
Contractual services	160	-	160	158	(2)	100
Supplies	-	-	-	-	-	-
Total public works line painting	161	-	161	158	(3)	100
Storm Water Maintenance:						
Personnel services	-	4	4	3	(1)	4
Contractual services	-	-	-	-	-	-
Total storm water maintenance	-	4	4	3	(1)	4
Street Lighting:						
Contractual services	595	(2)	593	541	(52)	656
Total public works	12,695	156	12,851	12,221	(630)	14,014
Health and Welfare:						
Community Services:						
Personnel services	45	-	45	44	(1)	41
Contractual services	14	-	14	12	(2)	15
Other/miscellaneous	22	40	62	52	(10)	77
Total community services	81	40	121	108	(13)	133

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Health and Welfare (Continued)						
Bristol-Burlington Health						
Contractual services	\$ 3,265	\$ -	\$ 3,265	\$ 3,265	\$ -	\$ 3,159
Health/SS Outside Agencies:						
Contractual services	80	1	81	80	(1)	76
Cemetery Upkeep:						
Purch. prof. services	79	-	79	79	-	75
School Readiness Program:						
Personnel services	5	68	73	72	(1)	71
Contractual services	3	2,859	2,862	2,863	1	2,760
Total school readiness program	8	2,927	2,935	2,935	-	2,831
Total health and welfare	3,513	2,968	6,481	6,467	(14)	6,274
Libraries						
Library:						
Personnel services	1,511	(1)	1,510	1,479	(31)	1,398
Contractual services	295	20	315	288	(27)	328
Supplies	297	16	313	293	(20)	234
Capital outlay	-	2	2	2	-	15
Total library	2,103	37	2,140	2,062	(78)	1,975
Parks and Recreation						
Parks and Recreation:						
Personnel services	1,794	(5)	1,789	1,703	(86)	1,666
Contractual services	309	127	436	398	(38)	315
Supplies	273	6	279	243	(36)	278
Capital outlay	4	37	41	41	-	43
Other/miscellaneous	5	(1)	4	3	(1)	2
General insurance	44	-	44	40	(4)	38
Total parks and recreation	2,429	164	2,593	2,428	(165)	2,342

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Employee Benefits and Pension						
Employee Benefits and Pension:						
Retirement benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74
Heart and hypertension police	-	-	-	-	-	513
Employee benefits	1,569	351	1,920	1,779	(141)	10,275
Transfer to internal service	-	-	-	-	-	(8,451)
Other post-employment benefits	700	500	1,200	1,200	-	686
Total employee benefits and pension	2,269	851	3,120	2,979	(141)	3,097
General Insurance						
General Insurance	754	16	770	741	(29)	729
Miscellaneous						
Miscellaneous:						
All other costs and fees	2,351	2,751	5,102	752	(4,350)	974
Public buildings	-	-	-	-	-	-
Total miscellaneous	2,351	2,751	5,102	752	(4,350)	974
Education						
Board of Education:						
General control	2,573	(188)	2,385	2,385	-	2,678
Instruction	47,141	(1,326)	45,815	45,815	-	45,587
Transportation	3,579	335	3,914	3,914	-	4,093
Operation of plant	6,353	110	6,463	6,463	-	6,410
Maintenance of plant	2,263	(2)	2,261	2,261	-	2,089
Benefits and fixed	17,086	(14,871)	2,215	2,215	-	2,260
Athletics and student	2,025	(114)	1,911	1,911	-	1,748
Capital outlay	1,938	(115)	1,823	1,823	-	1,858
Operating transfers out	-	-	-	-	-	63
Special Education	23,064	1,559	24,623	24,623	-	23,169
Tuition	815	13	828	828	-	894
Total board of education	106,837	(14,599)	92,238	92,238	-	90,849

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis- Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				Variance With Final Budget Positive (Negative)	2015 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Transfer to Other Funds:						
Special revenue	\$ 1,667	\$ 2,567	\$ 4,234	\$ 4,234	\$ -	\$ 4,822
Debt service	8,000	-	8,000	8,000	-	8,694
Trust and agency	-	-	-	-	-	-
Capital projects	819	190	1,009	1,009	-	889
Sinking fund	350	-	350	350	-	600
Internal service	11,937	14,598	26,535	26,535	-	29,937
Total transfers to other funds	<u>22,773</u>	<u>17,355</u>	<u>40,128</u>	<u>40,128</u>	<u>-</u>	<u>44,942</u>
Total	<u>\$ 185,006</u>	<u>\$ 10,544</u>	<u>\$ 195,550</u>	189,116	<u>\$ (6,434)</u>	193,573
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						
				13,692		13,776
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes but in the year received for financial reporting purposes						
				<u>145</u>		<u>(377)</u>
Total expenditures and other financing uses as reported on the statement of revenues, expenditures, and changes in fund balance - Governmental Funds - Exhibit IV						
				<u>\$ 202,953</u>		<u>\$ 206,972</u>

Required Supplementary Information - unaudited
Schedules of Funding Progress and Employer Contributions
Other Post-Employment Benefits Fund
Last Six Fiscal Years

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
July 1, 2008	\$ -	\$ 72,080	\$ (72,080)	0.0%	\$ 70,000,000	-0.1%
July 1, 2010	-	64,510,000	(64,510,000)	0.0%	91,807,000	-70.3%
July 1, 2012	1,847,000	75,052,000	(73,205,000)	2.5%	88,563,000	-82.7%
July 1, 2014	4,439,558	60,732,614	(56,293,056)	7.3%	96,520,538	-58.3%

Schedule of Employer Contributions - OPEB

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
2016	\$ 7,308,579	\$ 3,961,206	54.2%
2015	8,768,000	3,156,480	36.0%
2014	9,322,000	4,446,594	47.7%
2013	7,528,000	4,456,576	59.2%
2012	7,883,000	4,756,449	60.3%
2011	8,279,000	5,166,096	62.4%

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
City of Bristol Retirement System
Last Three Fiscal Years

Changes in Net Pension Liability (Asset)	2016	2015	2014
Total pension liability:			
Service cost	\$ 4,362,700	\$ 4,414,159	\$ 4,481,000
Interest	14,701,745	14,311,139	13,837,000
Effect of economic/demographic gains or losses	(901,644)	87,383	-
Benefit payments, including refunds of member contributions	(12,729,562)	(12,404,563)	(11,635,000)
Net change in total pension liability	5,433,239	6,408,118	6,683,000
Total pension liability, beginning	198,811,928	192,403,810	185,721,000
Total pension liability, ending (a)	204,245,167	198,811,928	192,404,000
Plan fiduciary net position:			
Employer contributions	44,000	127,325	228,000
Member contributions	1,916,440	1,722,864	1,816,000
Investment income (loss) net of investment expenses	(3,546,929)	(1,630,002)	28,753,000
Benefit payments	(12,729,562)	(12,404,563)	(11,635,000)
Net change in plan fiduciary net position	(14,316,051)	(12,184,376)	19,162,000
Plan fiduciary net position, beginning	209,132,881	221,317,257	202,155,000
Plan fiduciary net position, ending (b)	194,816,830	209,132,881	221,317,000
Net pension liability (asset), ending = (a) - (b)	\$ 9,428,337	\$ (10,320,953)	\$ (28,913,000)
Plan fiduciary net position as a % of total pension liability (asset)	95.38%	105.19%	115.03%
Covered-employee payroll	\$ 30,661,306	\$ 30,661,306	\$ 31,095,000
Net pension liability (asset) as a % of covered-employee payroll	30.75%	-33.66%	-92.98%

NOTE: As 2014 is the implementation year, only 2014, 2015, and 2016 information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Firefighters' Benefit Fund
Last Three Fiscal Years

Changes in Net Pension Liability (Asset)	2016	2015	2014
Total pension liability:			
Service cost	\$ 1,561,703	\$ 1,498,526	\$ 1,446,000
Interest	5,137,347	5,090,471	4,786,000
Effect of economic/demographic gains or losses	(2,220,537)	1,554,964	-
Benefit payments, including refunds of member contributions	(3,839,239)	(3,775,198)	(3,776,000)
Net change in total pension liability	639,274	4,368,763	2,456,000
Total pension liability, beginning	71,041,708	66,672,945	64,217,000
Total pension liability, ending (a)	71,680,982	71,041,708	66,673,000
Plan fiduciary net position:			
Member contributions	214,752	252,503	257,000
Net investment income (loss)	(2,938,858)	(1,255,916)	24,064,000
Benefit payments	(3,839,239)	(3,775,198)	(4,108,000)
Net change in plan fiduciary net position	(6,563,345)	(4,778,611)	20,213,000
Plan fiduciary net position, beginning	183,324,500	188,103,111	167,891,000
Plan fiduciary net position, ending (b)	176,761,155	183,324,500	188,104,000
Net pension liability (asset), ending = (a) - (b)	\$ (105,080,173)	\$ (112,282,792)	\$ (121,431,000)
Plan Fiduciary Net Position as a % of Total Pension Liability (Asset)	246.59%	258.05%	282.13%
Covered-employee payroll	\$ 5,556,190	\$ 5,556,190	\$ 5,582,000
Net pension liability as a % of covered-employee payroll	-1891.23%	-2020.86%	-2175.40%

NOTE: As 2014 is the implementation year, only 2014, 2015, and 2016 information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Police Benefit Fund
Last Three Fiscal Years

Changes in Net Pension Liability (Asset)	2016	2015	2014
Total pension liability:			
Service cost	\$ 2,353,115	\$ 2,121,862	\$ 2,037,000
Interest	8,296,970	7,880,029	7,971,000
Effect of economic/demographic gains or losses	992,159	(5,947,648)	-
Benefit payments, including refunds of member contributions	(5,830,138)	(5,507,865)	(5,226,000)
Net change in total pension liability	5,812,106	(1,453,622)	4,782,000
Total pension liability, beginning	110,143,364	111,596,986	106,815,000
Total pension liability, ending (a)	115,955,470	110,143,364	111,597,000
Plan fiduciary net position:			
Member contributions	451,452	443,730	414,000
Net investment income (loss)	(3,170,295)	(1,356,308)	26,248,000
Benefit payments	(5,830,138)	(5,507,865)	(5,414,000)
Net change in plan fiduciary net position	(8,548,981)	(6,420,443)	21,248,000
Plan fiduciary net position, beginning	197,929,600	204,350,043	183,102,000
Plan fiduciary net position, ending (b)	189,380,619	197,929,600	204,350,000
Net pension liability (asset), ending = (a) - (b)	\$ (73,425,149)	\$ (87,786,236)	\$ (92,753,000)
Plan fiduciary net position as a % of total pension liability (asset)	163.32%	179.70%	183.11%
Covered-employee payroll	\$ 9,139,541	\$ 8,498,327	\$ 8,215,000
Net pension liability as a % of covered-employee payroll	-803.38%	-1032.98%	-1129.07%

NOTE: As 2014 is the implementation year, only 2014, 2015, and 2016 information is available.

Required Supplementary Information - Unaudited
Schedule of Employer Contributions
City of Bristol Retirement System
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605,000	\$ 507,245	\$ 352,543
Contributions in relation to the actuarially determined contribution	115,000	-	-	-	-	-	-	228,000	127,325	44,000
Contribution deficiency (excess)	\$ -	\$ 377,000	\$ 379,920	\$ 308,543						
Covered-employee payroll	\$ 26,901,000	\$ 29,345,000	\$ 30,309,000	\$ 31,268,000	\$ 31,783,000	\$ 30,610,000	\$ 31,280,000	\$ 31,095,000	\$ 30,661,306	\$30,661,306
Contributions as a percentage of covered-employee payroll	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.73%	0.42%	0.14%

Notes to Schedule

Valuation date July 1, 2015
 Measurement date June 30, 2016
 Valuation timing Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method Projected unit credit
 Amortization method Level dollar, open
 Remaining amortization period 20 years
 Asset valuation method 4-year smoothed market, non-asymptotic, Corridor – 80% to 120% of market value
 Inflation 2.75%
 Salary increases Graded salary growth with an ultimate rate of 3.5%
 Investment rate of return 7.50%
 Cost of living adjustment None
 Retirement age Rates based on age and service
 Turnover Rates based on age
 Mortality RP-2000 Mortality for Employees and Healthy Annuitant Mortality Table with generational projection per Scale AA

Required Supplementary Information - Unaudited
Schedule of Employer Contributions
Firefighters' Benefit Fund
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -									
Covered-employee payroll	\$ 4,696,000	\$ 5,184,000	\$ 5,219,000	\$ 5,298,000	\$ 5,275,000	\$ 5,454,000	\$ 5,521,000	\$ 5,582,000	\$ 5,556,190	\$ 5,556,190
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date July 1, 2015
 Measurement date June 30, 2016
 Valuation timing Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method Projected unit credit
 Amortization method Level dollar, open
 Remaining amortization period 20 years
 Asset valuation method 4-year smoothed market, non-asymptotic, Corridor – 80% to 120% of market value
 Inflation 2.75%
 Salary increases Graded salary growth with an ultimate rate of 3.5%
 Investment rate of return 7.50%
 Cost of living adjustment Pre-July 1, 1999 retirees: 3.5% per year; Retirees between July 1, 1990 and June 30, 2003: 2.5% per year; Post-June 30, 2003 retirees: 2.25% per year
 Retirement age Graded based on age
 Turnover None
 Mortality RP-2000 Mortality for Employees and Healthy Annuitant Mortality Table with generational projection per Scale AA

Required Supplementary Information - Unaudited
Schedule of Employer Contributions
Police Benefit Fund
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -									
Covered-employee payroll	\$ 6,768,000	\$ 7,502,000	\$ 7,421,000	\$ 8,245,000	\$ 8,377,000	\$ 8,295,000	\$ 7,838,000	\$ 8,215,000	\$ 8,498,327	\$ 9,139,541
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date July 1, 2015
 Measurement date June 30, 2016
 Valuation timing Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method Projected unit credit
 Amortization method Level dollar, open
 Remaining amortization period 20 years
 Asset valuation method 4-year smoothed market, non-asymptotic, Corridor – 80% to 120% of market value
 Inflation 2.75%
 Salary increases Graded salary growth with an ultimate rate of 3.5%
 Investment rate of return 7.50%
 Cost of living adjustment Pre-December 15, 2002 retirees: 3.5% per year; Post-December 15, 2002 retirees: 2.25% per year
 Retirement age Graded based on age
 Turnover Age based rates; 0% starting at age 40
 Mortality RP-2000 Mortality for Employees and Healthy Annuitant Mortality Table with generational projection per Scale AA

**Required Supplementary Information - Unaudited
 Schedule of Investment Returns
 Pension Trust Funds
 Last Three Fiscal Years**

	2014	2015	2016
Annual money-weighted rate of return, net of investment expense, for:			
City of Bristol Retirement System	15.44%	0.52%	-2.47%
Firefighters' Benefit Fund	15.44%	0.52%	-2.47%
Police Benefit Fund	15.44%	0.52%	-2.47%

Required Supplementary Information - Unaudited
Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers' Retirement System
June 30, 2016

	2016	2015
City's proportion of the net pension liability	0%	0%
City's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	\$ 152,907,734	\$ 141,332,557
City's covered-employee payroll	\$ 56,044,000	\$ 54,605,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of 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, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

**Combining and Individual
Fund Statements and Schedules**

General Fund

General Fund

The General Fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

This fund is administered in accordance with Section 25 of the City Charter. The Board of Finance and Joint Board (Board of Finance and City Council meeting jointly) have final approval over the authorizations of budgetary appropriations and any revisions to the approved budget. The Charter mandates that funding deficits, operating deficiencies or operating surpluses have priority consideration when the succeeding budget is formulated. The Board of Finance, through its agent, the Comptroller's Office, controls the collection and disbursement of funds and has the legal authority to initiate audits. All assets of this fund belong to the City of Bristol. The authority for the levy of property taxes resides with the Joint Board. The City Council has the power to apply for and accept grants from other agencies and to establish and/or change the imposition of charges (fees) for the delivery of services.

**Comparative Balance Sheet - General Fund
June 30, 2016 and 2015**

	2016	2015
Assets		
Cash and cash equivalents	\$ 40,452,198	\$ 35,124,273
Investments	7,705,476	7,533,899
Receivables:		
Taxes, net of allowance for uncollectible amounts of \$300,000 in 2016 and 2015	5,130,329	4,606,469
Other, net of allowance for uncollectible amounts of \$10,000 in 2016 and 2015	303,086	385,605
Due from other funds	727,276	877,035
Due from other governments	331,162	358,918
Prepaid assets	8,817	588
Total assets	54,658,344	48,886,787
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	5,285,769	3,501,044
Accrued liabilities	8,134,593	8,844,657
Due to other funds	46,525	122,290
Total liabilities	13,466,887	12,467,991
Deferred Inflows of resources:		
Unavailable revenue - property taxes	5,034,625	4,614,924
Advance property tax collections	-	86,889
Total deferred inflows of resources	5,034,625	4,701,813
Fund balance:		
Nonspendable	8,817	588
Committed	3,064,919	3,057,414
Assigned	4,345,929	2,053,023
Unassigned	28,737,167	26,605,958
Total fund balance	36,156,832	31,716,983
Total liabilities, deferred inflows of resources and fund balance	\$ 54,658,344	\$ 48,886,787

**Nonmajor
Governmental Funds**

Nonmajor Governmental Funds

Special Revenue Funds

Fund	Funding Source	Function
Equipment and Building Sinking	Federal, State and local	Equipment and building purchases
Community Development Act	Federal grants	Community development programs
Special Grants and Donations	Federal, State and local grants	Administration of miscellaneous grants
Special Education Grant	Federal and State grants	Education grant programs
Bristol School Lunch Program	Sale of food, State and Federal grants	Operation of the school cafeterias
Manross Memorial Library	Donations	Support of the City Library Board
Sewer Operating and Assessment	Charges for services	Operations of the sanitary sewer system
Solid Waste Disposal	Charges for services	Operation of the City's solid waste disposal program
Police Department Drug Forfeiture	Sale of assets and Federal grants	Account for monies received from sale of assets acquired during drug related arrests
Pine Lake Challenge Course	Charges for services	Recreational facility used by outside groups
LOCIP Projects	State grants	Activity of all the LOCIP projects
Transfer Station	Charges for services	Operations of the City's Transfer Station
Student Activity	Charges for services	Operations of the Adult Education, Summer School and Driver Education programs
Open Space	Donations	Procurement of land
Centre Mall	Rent/leases	Operation of Centre Mall
Pardee Fund #1	Sarah Norton Pardee Trust Fund	Cemetery maintenance
Pardee Fund #2	Sarah Norton Pardee Trust Fund	Support of those requiring public aid
Reserve Fund for Depreciation for Page Park Swimming Pool	Donations	Maintenance of the Page Park swimming pool

Permanent Funds

Fund	Funding Source	Function
Sarah Norton Pardee Trust	Will of Sarah Norton Pardee	The upkeep of City cemeteries and the support of those requiring public aid
Mary J. Atwood Trust	Will of Mary J. Atwood	For the benefit of needy pupils of the Bristol High School
Storm Water Control Trust	Donations	Perpetual maintenance and management of storm water control problem areas
Lake Avenue Cemetery Trust	Donations	To upkeep Lake Avenue Cemetery

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds							
	Equipment and Building Sinking	Community Development Act	Special Grants and Donations	Special Education Grant	Bristol School Lunch Program	Manross Memorial Library	Sewer Operating and Assessment	Solid Waste Disposal
Assets								
Cash and cash equivalents	\$ 4,261,109	\$ 2,489,515	\$ 2,408,801	\$ 2,543,528	\$ -	\$ 705,088	\$ 4,849,810	\$ 655,370
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	6,564	-	208,496	26,931
Assessment receivable	-	-	-	-	-	-	514,830	-
Due from other funds	-	-	12,866	80,252	-	-	-	-
Due from other governments	-	219,422	34,368	173,292	277,137	-	-	-
Inventory	-	-	-	-	75,495	-	-	-
Total assets	\$ 4,261,109	\$ 2,708,937	\$ 2,456,035	\$ 2,797,072	\$ 359,196	\$ 705,088	\$ 5,573,136	\$ 682,301
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)								
Liabilities								
Accounts payable	\$ 314,276	\$ 128,462	\$ 299,911	\$ 53,229	\$ 265,984	\$ -	\$ 237,774	\$ 105,677
Accrued liabilities	-	6,251	67,428	709,939	5,166	-	21,342	-
Due to other funds	-	-	16,150	1,697,011	-	-	-	-
Due to other governments	-	-	214	-	-	-	-	-
Unearned revenue	-	-	112,102	337,283	-	-	-	-
Total liabilities	314,276	134,713	495,805	2,797,462	271,150	-	259,116	105,677
Deferred Inflows of Resources								
Unavailable revenue - sewer use	-	-	-	-	-	-	176,973	-
Unavailable revenue - sewer assessments	-	-	-	-	-	-	514,830	-
Total deferred inflows of resources	-	-	-	-	-	-	691,803	-
Fund Balances								
Nonspendable	-	-	-	-	75,495	-	-	-
Restricted	-	2,512,248	1,960,230	-	-	-	-	-
Committed	3,946,833	61,976	-	-	12,551	705,088	4,469,519	576,624
Assigned	-	-	-	-	-	-	152,698	-
Unassigned	-	-	-	(390)	-	-	-	-
Total fund balances	3,946,833	2,574,224	1,960,230	(390)	88,046	705,088	4,622,217	576,624
Total liabilities, deferred inflows of resources and fund balances	\$ 4,261,109	\$ 2,708,937	\$ 2,456,035	\$ 2,797,072	\$ 359,196	\$ 705,088	\$ 5,573,136	\$ 682,301

Combining Balance Sheet
 Nonmajor Governmental Funds (Continued)
 June 30, 2016

	Special Revenue Funds								
	Police Department Drug Forfeiture	Pine Lake Challenge Course	LOCIP Projects	Transfer Station	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2
Assets									
Cash and cash equivalents	\$ 258,201	\$ 118,365	168,234	\$ 518,370	\$ 640,386	\$ 4,028	\$ 420,954	\$ 35,983	\$ 1,243
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	-	4,454	-	758	-	-	-	-	-
Assessment receivable	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	76,105	-	-	-	-
Due from other governments	7,737	-	440,790	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total assets	\$ 265,938	\$ 122,819	\$ 609,024	\$ 519,128	\$ 716,491	\$ 4,028	\$ 420,954	\$ 35,983	\$ 1,243
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)									
Liabilities									
Accounts payable	\$ 9,411	\$ -	\$ 416,150	\$ 6,414	\$ 630	\$ -	\$ 76	\$ -	\$ -
Accrued liabilities	15,703	665	-	5,705	3,096	-	-	-	-
Due to other funds	-	-	-	-	3,801	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	177,887	-	-	-	-	-
Total liabilities	25,114	665	416,150	190,006	7,527	-	76	-	-
Deferred Inflows of Resources									
Unavailable revenue - sewer use	-	-	-	-	-	-	-	-	-
Unavailable revenue - sewer assessments	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	240,824	-	192,874	-	-	-	-	-	-
Committed	-	122,154	-	329,122	708,964	4,028	420,878	35,983	1,243
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	240,824	122,154	192,874	329,122	708,964	4,028	420,878	35,983	1,243
Total liabilities, deferred inflows of resources and fund balances	\$ 265,938	\$ 122,819	\$ 609,024	\$ 519,128	\$ 716,491	\$ 4,028	\$ 420,954	\$ 35,983	\$ 1,243

(Continued)

**Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016**

	Special Revenue Funds		Permanent Funds					Total Nonmajor Governmental Funds
	Reserve Fund for Depreciation for Page Park Swimming Pool	Total	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total	
Assets								
Cash and cash equivalents	\$ 257,917	\$ 20,336,902	\$ 7,499	\$ 1,015	\$ -	\$ 36,884	\$ 45,398	\$ 20,382,300
Investments	-	-	-	-	802,670	-	802,670	802,670
Accounts receivable	-	247,203	-	-	-	-	-	247,203
Assessment receivable	-	514,830	-	-	-	-	-	514,830
Due from other funds	-	169,223	-	-	-	-	-	169,223
Due from other governments	-	1,152,746	-	-	-	-	-	1,152,746
Inventory	-	75,495	-	-	-	-	-	75,495
Total assets	\$ 257,917	\$ 22,496,399	\$ 7,499	\$ 1,015	\$ 802,670	\$ 36,884	\$ 848,068	\$ 23,344,467
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ 1,837,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,837,994
Accrued liabilities	-	835,295	-	-	-	-	-	835,295
Due to other funds	42,000	1,758,962	-	-	-	-	-	1,758,962
Due to other governments	-	214	-	-	-	-	-	214
Unearned revenue	-	627,272	-	-	-	-	-	627,272
Total liabilities	42,000	5,059,737	-	-	-	-	-	5,059,737
Deferred Inflows of Resources								
Unavailable revenue - sewer use	-	176,973	-	-	-	-	-	176,973
Unavailable revenue - sewer assessments	-	514,830	-	-	-	-	-	514,830
Total deferred inflows of resources	-	691,803	-	-	-	-	-	691,803
Fund Balances								
Nonspendable	-	75,495	7,499	1,015	802,670	36,884	848,068	923,563
Restricted	-	4,906,176	-	-	-	-	-	4,906,176
Committed	215,917	11,610,880	-	-	-	-	-	11,610,880
Assigned	-	152,698	-	-	-	-	-	152,698
Unassigned	-	(390)	-	-	-	-	-	(390)
Total fund balances	215,917	16,744,859	7,499	1,015	802,670	36,884	848,068	17,592,927
Total liabilities, deferred inflows of resources and fund balances	\$ 257,917	\$ 22,496,399	\$ 7,499	\$ 1,015	\$ 802,670	\$ 36,884	\$ 848,068	\$ 23,344,467

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2016**

	Special Revenue Funds							
	Equipment and Building Sinking	Community Development Act	Special Grants and Donations	Special Education Grant	Bristol School Lunch Program	Manross Memorial Library	Sewer Operating and Assessment	Solid Waste Disposal
Revenues:								
Sewer assessments, interest and liens	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,547	\$ -
Licenses and permits	-	-	1,255,674	-	-	-	-	434,449
Intergovernmental	-	600,211	703,046	9,337,735	2,100,363	-	-	-
Charges for services	-	-	195,041	-	933,717	-	6,192,221	-
Investment earnings	7,460	2,734	3,575	-	-	1,110	8,055	1,470
Net appreciation in the fair market value of investments	-	-	-	-	-	-	-	-
Contribution	-	-	1,260,533	-	-	-	-	-
Miscellaneous	21,799	-	-	-	-	93,841	83,918	(0)
Total revenues	29,259	602,945	3,417,869	9,337,735	3,034,080	94,951	6,291,741	435,919
Expenditures:								
General government	12,214	1,039,659	687,091	-	-	-	-	-
Public safety	576,557	-	244,432	-	-	-	-	-
Public works	711,599	-	-	-	-	-	4,262,176	1,104,673
Health and welfare	-	307,771	1,304,186	-	-	-	-	-
Libraries	-	-	217,736	-	-	8,183	-	-
Parks and recreation	360,056	-	194,198	-	-	-	-	-
Education	1,098,200	-	858,000	9,337,865	3,007,051	-	-	-
Total expenditures	2,758,626	1,347,430	3,505,643	9,337,865	3,007,051	8,183	4,262,176	1,104,673
Excess (deficiency) of revenues over expenditures	(2,729,367)	(744,485)	(87,774)	(130)	27,029	86,768	2,029,565	(668,754)
Other financing sources (uses):								
Transfers in	1,893,320	1,553,870	112,999	-	-	-	-	900,000
Transfers out	(82,240)	-	(143,951)	-	-	-	(1,726,874)	-
Total other financing sources (uses)	1,811,080	1,553,870	(30,952)	-	-	-	(1,726,874)	900,000
Net change in fund balances	(918,287)	809,385	(118,726)	(130)	27,029	86,768	302,691	231,246
Fund balance (deficit), beginning of year	4,865,120	1,764,839	2,078,956	(260)	61,017	618,320	4,319,526	345,378
Fund balance (deficit), end of year	\$ 3,946,833	\$ 2,574,224	\$ 1,960,230	\$ (390)	\$ 88,046	\$ 705,088	\$ 4,622,217	\$ 576,624

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds								
	Police Department Drug Forfeiture	Pine Lake Challenge Course	LOCIP Projects	Transfer Station	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2
Revenues:									
Sewer assessments, interest and liens	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	164,254	-	-	196,730	-	-	-	-
Intergovernmental	25,528	-	764,175	-	-	-	-	-	-
Charges for services	-	-	-	377,575	-	-	21,600	-	-
Investment earnings	-	118	25	941	1,153	7	713	51	-
Net appreciation in the fair market value of investments	-	-	-	-	-	-	-	-	-
Contribution	-	-	-	-	104,874	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	25,528	164,372	764,200	378,516	302,757	7	22,313	51	-
Expenditures:									
General government	-	136,818	-	-	-	-	23,755	-	-
Public safety	556,433	-	-	-	-	-	-	-	-
Public works	-	-	832,663	551,360	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	369,056	-	-	-	-
Total expenditures	556,433	136,818	832,663	551,360	369,056	-	23,755	-	-
Excess (deficiency) of revenues over expenditures	(530,905)	27,554	(68,463)	(172,844)	(66,299)	7	(1,442)	51	-
Other financing sources (uses):									
Transfers in	-	-	218,951	324,065	-	-	-	5	6
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	218,951	324,065	-	-	-	5	6
Net change in fund balances	(530,905)	27,554	150,488	151,221	(66,299)	7	(1,442)	56	6
Fund balance (deficit), beginning of year	771,729	94,600	42,386	177,901	775,263	4,021	422,320	35,927	1,237
Fund balance (deficit), end of year	\$ 240,824	\$ 122,154	\$ 192,874	\$ 329,122	\$ 708,964	\$ 4,028	\$ 420,878	\$ 35,983	\$ 1,243

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2016
(In Thousands)

	Special Revenue Funds		Permanent Funds					Total Nonmajor Governmental Funds
	Reserve Fund for Depreciation for Page Park Swimming Pool	Total	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total	
Revenues:								
Sewer assessments, interest and liens	\$ -	\$ 7,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,547
Licenses and permits	-	2,051,107	-	-	-	-	-	2,051,107
Intergovernmental	-	13,531,058	-	-	-	-	-	13,531,058
Charges for services	-	7,720,154	-	-	-	-	-	7,720,154
Investment earnings	367	27,779	10	6	17,111	60	17,187	44,966
Net appreciation in the fair market value of investments	-	-	-	-	18,253	-	18,253	18,253
Contribution	-	1,365,407	-	-	-	1,100	1,100	1,366,507
Miscellaneous	-	199,558	-	-	-	-	-	199,558
Total revenues	367	24,902,610	10	6	35,364	1,160	36,540	24,939,150
Expenditures:								
General government	-	1,899,537	-	-	-	-	-	1,899,537
Public safety	-	1,377,422	-	-	-	-	-	1,377,422
Public works	-	7,462,471	-	-	-	-	-	7,462,471
Health and welfare	-	1,611,957	-	-	-	-	-	1,611,957
Libraries	-	225,919	-	-	-	-	-	225,919
Parks and recreation	-	554,254	-	-	-	-	-	554,254
Education	-	14,670,172	-	25	-	-	25	14,670,197
Total expenditures	-	27,801,732	-	25	-	-	25	27,801,757
Excess (deficiency) of revenues over expenditures	367	(2,899,122)	10	(19)	35,364	1,160	36,515	(2,862,607)
Other financing sources (uses):								
Transfers in	-	5,003,216	-	-	-	-	-	5,003,216
Transfers out	(42,000)	(1,995,065)	(11)	-	(3,518)	-	(3,529)	(1,998,594)
Total other financing sources (uses)	(42,000)	3,008,151	(11)	-	(3,518)	-	(3,529)	3,004,622
Net change in fund balances	(41,633)	109,029	(1)	(19)	31,846	1,160	32,986	142,015
Fund balance (deficit), beginning of year	257,550	16,635,830	7,500	1,034	770,824	35,724	815,082	17,450,912
Fund balance (deficit), end of year	\$ 215,917	\$ 16,744,859	\$ 7,499	\$ 1,015	\$ 802,670	\$ 36,884	\$ 848,068	\$ 17,592,927

Capital Projects Fund

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds.)

**Capital Projects Fund
Schedule of Expenditures – Actual vs. Appropriations (in thousands)
For the Year Ended June 30, 2016**

Fiscal Year	Dept.	Project Name	Amended Budget	Expended Current Year	Total All Years	Open Purchase Orders	Total Expended	Project Balance
Schools - Fund 301:								
2001	BOE	South Side Code Update	\$ 812	\$ -	\$ 776	\$ 36	\$ 812	\$ -
2007	BOE	Forestville K-8 School	44,510	128	44,503	7	44,510	-
2007	BOE	West Bristol K-8 School	42,461	57	42,247	179	42,426	35
2013	BOE	BOE Admin. Roof Replacement	327	8	326	-	326	1
2014	BOE	Northeast Middle School Roof	1,841	1,785	1,829	-	1,829	12
2015	BOE	Stafford School Oil Tank Replacement	160	151	162	1	163	(3)
2015	BOE	Edgewood School Oil Tank Replacement	160	145	155	1	156	4
2015	BOE	Bristol Central HS Track Replacement	750	544	672	-	672	78
2015	BOE	Bristol Eastern HS Press Box	84	83	83	-	83	1
2016	16C01	Hubbell Oil Tank Replacement	139	5	5	13	18	121
2016	16C02	Northeast Oil Tank Replacement	161	5	5	13	18	143
2016	16C03	Hubbell School Roof	2,108	36	36	1,289	1,325	783
2016	16G10	Early Childhood Playscapes	162	123	123	36	159	3
2016	16G12	General Improvements School Buildings	1,710	5	5	19	24	1,686
Total Schools - Fund 301			95,385	3,075	90,927	1,594	92,521	2,864
Capital Projects - Fund 302:								
2002	City Hall	ADA Upgrades	303	-	299	-	299	4
2007	Police	City Traffic Control Signal Upgrade	458	7	395	-	395	63
2008	Fire	E4 Architectural Study	6,000	4,363	4,739	1,077	5,816	184
2007	PW Streets	Realignment-Union, South & Church Streets	490	1	419	25	444	46
2008	PW Streets	Reconstruction of Waterbury Road	3,560	-	2,733	-	2,733	827
2008	PW Streets	Citywide - Roadside Barrier	510	-	371	20	391	119
2007	PW Solid Waste	Transfer Station Upgrades	100	2	100	-	100	-
2009	PW Solid Waste	Transfer Station Improvements	181	3	181	-	181	-
2007	PW Garage	Public Works Garage Rehabilitation	520	6	58	262	320	200
	PW C.I.	Contingency-Bridge Control	203	-	-	-	-	203
2002	BDA	Downtown Revitalization Phase 1	3,675	30	3,586	-	3,586	89
2005	BDA	Downtown Revitalization Phase 2	7,628	20	7,644	-	7,644	(16)
2009	BDA	Downtown Parking Feasibility	920	-	817	-	817	103
2008	BDDC	Mall Demolition/Abatement	1,400	4	1,369	7	1,376	24
2005	Parks&Rec.	Memorial Boulevard Parking Enhancements	150	-	121	-	121	29

Capital Projects Fund
Schedule of Expenditures – Actual vs. Appropriations (in thousands) (Continued)
For the Year Ended June 30, 2016

Fiscal Year	Dept.	Project Name	Amended Budget	Expended Current Year	Total All Years	Open Purchase Orders	Total Expended	Project Balance
2008	Parks&Rec.	Rockwell Park Historic Bldg. Grant	\$ 205	\$ 1	\$ 162	\$ 3	\$ 165	\$ 40
2006	MIS	Fiberoptics	1,350	1	1,332	-	1,332	18
2008	MIS	GIS System	590	32	492	-	492	98
2010	Aging	Senior Center Utility Upgrades	4,741	3	4,698	10	4,708	33
2010	PW Streets	Frederick Street Channel Improvements	1,672	267	1,573	9	1,582	90
2010	PW Streets	Richard Court Berm/Channel	592	15	52	17	69	523
2011	PW Solid Waste	Single Stream Recycling Program	1,300	28	1,278	-	1,278	22
2011	PW Major Bridge	Major Bridge Repairs	380	-	22	-	22	358
2012	Parks&Rec.	Misc. Page Park Improvements	12	11	12	-	12	-
2012	PW Streets	Hillside Place Intersection Reconstruction	540	486	486	7	493	47
2013	MIS	Telephone System Replacement	720	421	645	68	713	7
2013	Parks&Rec.	Muzzy Field Improvements	2,825	1,495	2,755	23	2,778	47
2013	Parks&Rec.	Underground Tank Removal-Rockwell	20	-	10	-	10	10
2013	Parks&Rec.	Wilson Field Parking Improvements	50	-	-	-	-	50
2013	PW Engineering	Dorset Horn & Great Pyrenees Reconstr.	400	-	160	-	160	240
2013	PW Engineering	Channel Improvement/Bridge Removal	380	4	4	-	4	376
2013	PW Engineering	Wooded Debris Removal-Cost Sharing	60	-	8	-	8	52
2013	PW Engineering	Sediment Removal-Pequabuck	200	-	-	-	-	200
2013	PW Engineering	Pequabuck River-Flood Control Study	110	-	-	-	-	110
2013	Parks&Rec.	Pine Lake Handicapped Grant	156	-	109	-	109	47
2013	PW Engineering	Pequabuck River Flooding Study	250	27	217	-	217	33
2014	Fire	Engine 5 Renovations	600	613	643	221	864	(264)
2014	Police	Traffic Sign Retroreflectivity	97	15	75	-	75	22
2014	PW Streets	Coppermine Flood Control - Maltby St.	30	-	-	-	-	30
2014	PW	Louisiana Bridge Replacement	300	22	22	3	25	275
2014	PW Streets	Roadway Reclamation	580	15	580	-	580	-
2014	PW Streets	Union, South, Church Construction	2,205	1,207	1,859	73	1,932	273
2014	PW Streets	Divinity St. Culvert	350	-	-	-	-	350
2014	Building Maint	HVAC Control Upgrades	548	401	401	-	401	147
2014	PD Communic.	Radio Upgrade Project	10,100	20	62	54	116	9,984
2015	Probate	Probate Court Renovations	600	584	596	-	596	4
2015	Public Works	ADA Projects	200	2	2	-	2	198
2015	Fire	SCBA Replacements	230	-	-	-	-	230
2015	Parks&Rec.	Memorial Blvd Bridge Replacement	240	45	45	196	241	(1)
2015	PW Streets	Fern Hill Rd Reclamation	690	1	294	-	294	396
2015	PW Streets	Birch St Road Reclamation	480	452	452	-	452	28
2015	PW Streets	Munchausen & Bartholomew Reclam	310	-	-	-	-	310
2015	PW Streets	Mountain Rd Rock Face Stabilization	320	2	13	18	31	289
2015	PW Buildings	O'Connell School Closure	100	1	1	-	1	99
2015	PW Buildings	Bingham School Closure	120	3	3	-	3	117

**Capital Projects Fund
Schedule of Expenditures – Actual vs. Appropriations (in thousands) (Continued)
For the Year Ended June 30, 2016**

Fiscal Year	Dept.	Project Name	Amended Budget	Expended Current Year	Total All Years	Open Purchase Orders	Total Expended	Project Balance
2015	PW Streets	Traffic Signal Video Detection Upgrade	\$ 528	\$ 7	\$ 7	\$ -	\$ 7	\$ 521
2015	PW Fleet Maint.	Vehicle Routing Software	15	-	-	-	-	15
2016	16C04	Multi-Purpose Synthetic Fields	3,690	114	114	3,370	3,484	206
2016	16C05	Down Street Bridge Replacement	320	-	-	-	-	320
2016	16C06	Louisiana Bridge Replacement	2,400	-	-	-	-	2,400
2016	16C10	Memorial Boulevard Restoration	400	124	124	206	330	70
2016	16C11	Route 6 Corridor Study	50	25	25	25	50	-
2016	16C12	Planning/Reuse of Former mall	120	29	29	91	120	-
Total capital projects - Fund 302			68,274	10,909	42,194	5,785	47,979	20,295
Reserve for CNR - Fund 305:								
1991	CDBG	SE Mini-Industrial Park Project	5,048	30	4,948	-	4,948	100
1996	Landfill	Landfill Engineering Costs	1,181	-	926	1	927	254
2002	Landfill	Landfill BRRFOC	3,357	-	1,761	-	1,761	1,596
2007	Landfill	Landfill Damage	534	23	201	13	214	320
2006	Railroad	Railroad Spur Update	286	-	254	-	254	32
2008	Misc	Cemetery Restoration	31	15	26	-	26	5
2012	BOE	MUNIS Training	72	1	23	27	50	22
1998	Public Works	Sidewalk Pilot Program	100	-	95	-	95	5
2012	Public Works	Broad St. Sediment	193	4	195	-	195	(2)
2012	Assessor	Revaluation	798	53	382	-	382	416
2013	Public Works	259 East Main St.	165	-	147	-	147	18
2014	Public Works	Frederick Street Properties	578	238	570	-	570	8
Total Reserve for CNR - Fund 305			12,343	364	9,528	41	9,569	2,774
Capital and Nonrecurring - Fund 126:								
2001	WPC	Infiltration/Inflow Phase II	3,177	89	3,177	-	3,177	-
2001	WPC	Infiltration/Inflow Phase III	3,079	89	3,079	-	3,079	-
2002	WPC	Infiltration/Inflow Phase IV	1,366	42	1,366	-	1,366	-
2002	WPC	Denitrification Phase I	1,004	28	1,004	-	1,004	-
1999	WPC	99 CIP I/I Phase I	3,076	84	3,076	-	3,076	-
2007	WPC	Broad St. Sanitary Flow	400	-	350	-	350	50
2007	WPC	Broad St. Pump Station	600	-	599	-	599	1
2008	WPC	Broad St. I/I Study Phase II	600	-	570	24	594	6
2008	WPC	Plant Auxiliary Pump Station	-	-	-	-	-	-
2008	WPC	Broad St. Force Main Replacement	100	-	1	-	1	99
2008	WPC	Gravity Sewer - Pine Lake	65	-	61	-	61	4
2009	WPC	Forestville Reduction Relief Force	5,460	-	4,778	-	4,778	682
2009	WPC	Forestville SS Engineering	875	-	762	-	762	113
2010	WPC	Submersible Sewage Pump	-	-	-	-	-	-
2010	WPC	Broad Street Pump Station Upgrades	1,420	20	1,266	56	1,322	98

**Capital Projects Fund
 Schedule of Expenditures – Actual vs. Appropriations (in thousands) (Continued)
 For the Year Ended June 30, 2016**

Fiscal Year	Dept.	Project Name	Amended Budget	Expended Current Year	Total All Years	Open Purchase Orders	Total Expended	Project Balance
2011	WPC	Sewer System Rehab Broad St	\$ 1,526	\$ 77	\$ 1,312	\$ -	\$ 1,312	\$ 214
2011	WPC	Phosphorus Removal Upgrade	18,443	3,966	5,403	9,056	14,459	3,984
2012	WPC	Redstone Hill Sanitary Sewer Replacement	-	-	-	-	-	-
2014	WPC	Blakeslee Street Sanitary Sewers	180	103	103	-	103	77
2014	WPC	Frederick St. Bridge Stream Crossing	68	2	72	(2)	70	(2)
2016	WPC	WPC Facility Renovations	1,005	56	56	792	848	157
2016	WPC	Frederick Street Sanitary Sewer	330	-	-	-	-	330
2016	WPC	Munchausen and Bartholomew Streets	200	-	-	-	-	200
Total Capital and Nonrecurring - Fund 126			42,974	4,556	27,035	9,926	36,961	6,013
Total			\$ 218,976	\$ 18,904	\$ 169,684	\$ 17,346	\$ 187,030	\$ 31,946

Enterprise Fund

Enterprise Funds

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The **Water Enterprise Fund** is the City's only Enterprise Fund.

**Comparative Statement of Net Position
Water Enterprise Fund
June 30, 2016 and 2015**

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,637,259	\$ 1,601,905
Investments	4,502,617	4,733,548
Receivables, net	1,451,775	1,452,288
Other assets	4,002	2,096
Inventories	245,701	184,843
Capital assets:		
Assets not being depreciated	3,811,696	3,429,368
Assets being depreciated, net	19,690,267	20,247,190
Total assets	31,343,317	31,651,238
 Deferred Outflows of Resources		
Deferred charge on refunding	102,526	113,941
 Liabilities		
Accounts and other payables	551,151	467,346
Payroll liabilities	51,752	62,788
Customer deposits	93,691	102,356
Compensated absences - current	53,327	49,576
Bonds payable - current	501,795	508,795
Notes payable - current	35,796	21,011
Noncurrent liabilities:		
Compensated absences	258,738	247,489
Bonds payable	2,138,375	2,627,069
Notes payable	732,197	495,225
Total liabilities	4,416,822	4,581,655
 Net Position		
Net investment in capital assets	20,196,326	20,654,635
Unrestricted	6,832,695	6,528,889
Total net position	\$ 27,029,021	\$ 27,183,524

**Comparative Statement of Revenues, Expenses and Changes in Net Position
Water Enterprise Fund
For the Year Ended June 30, 2016 and 2015**

	2016	2015
Revenues:		
Charges for services	\$ 7,046,797	\$ 6,972,853
Miscellaneous operating revenue	384,268	372,091
Total operating revenue	7,431,065	7,344,944
Operating expenses:		
Source of supply	214,905	231,785
Pumping	287,833	269,636
Purification	955,880	962,098
Transmission and distribution	2,023,496	1,854,006
Customer accounts, administrative and general	2,217,906	2,192,457
Depreciation	1,085,609	1,007,624
Taxes other than income taxes	488,140	507,162
Total operating expenses	7,273,769	7,024,768
Operating income	157,296	320,176
Nonoperating revenues (expenses):		
Income (loss) on investments	(203,247)	(100,668)
Interest expense	(116,338)	(134,522)
Amortization of debt discount and expense	7,786	(7,785)
Total nonoperating revenue (expenses)	(311,799)	(242,975)
Income (loss) before contributions	(154,503)	77,201
Capital contributions	-	702,323
Change in net position	(154,503)	779,524
Net position, beginning of year	27,183,524	26,404,000
Total net position	\$ 27,029,021	\$ 27,183,524

City of Bristol, Connecticut

**Comparative Statement of Cash Flows
Water Enterprise Fund
For the Years Ended June 30, 2016 and 2015**

	2016	2015
Cash flows from operating activities:		
Cash received from charges for services	\$ 7,421,007	\$ 6,617,916
Cash paid to employees	(2,213,942)	(2,185,604)
Cash paid to suppliers	(3,947,307)	(4,009,184)
Net cash provided by operating activities	1,259,758	423,128
Cash flows from capital and related financing activities:		
Capital cash contributions received	-	702,323
Purchase of capital assets/utility plant	(911,014)	(265,182)
Principal payments bonds/notes	(243,937)	(489,900)
Interest payments and issuance costs	(97,137)	(124,248)
Net cash used in capital and related financing activities	(1,252,088)	(177,007)
Cash flows from investing activities:		
Income on investments	27,684	784
Net cash provided by investing activities	27,684	784
Net increase in cash and cash equivalents	35,354	246,905
Cash and cash equivalents, beginning of year	1,601,905	1,355,000
Cash and cash equivalents, end of year	\$ 1,637,259	\$ 1,601,905
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 157,296	\$ 320,176
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,085,609	1,007,624
(Increase) decrease in accounts receivables, net	513	(129,288)
(Increase) decrease in inventories	(60,858)	73,157
(Increase) decrease in other assets	(1,906)	7,904
Increase (decrease) in accounts and other payable	83,805	(257,654)
Increase (decrease) in payroll liabilities	(11,036)	15,788
Increase (decrease) in accrued compensated absences	15,000	(8,935)
Increase (decrease) in customer deposits	(8,665)	(584,644)
Increase (decrease) in unearned revenues	-	(21,000)
Net cash provided by operating activities	\$ 1,259,758	\$ 423,128
Noncash investing and capital activities:		
Capital contributions	\$ -	\$ 702,323

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Internal Service Funds

Internal Service Funds

Special Revenue Funds

Internal Service 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.

Health Benefit and Workers Compensation Fund – to provide reserves necessary to support a health benefits program and workmen's compensation claims.

**Comparative Statement of Net Position
Internal Service Funds
June 30, 2016 and 2015**

	2016	2015
Assets		
Cash and cash equivalents	\$ 24,099,774	\$ 25,528,561
Accounts receivable	3,036	26,526
Due from other funds	1,158,488	344,999
Total assets	25,261,298	25,900,086
Liabilities		
Accounts payable	9,386	3,898
Unpaid claims	12,300,995	13,538,929
Unearned revenues	94,022	67,672
Total liabilities	12,404,403	13,610,499
Net Position		
Unrestricted	\$ 12,856,895	\$ 12,289,587

**Comparative Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Years Ended June 30, 2016 and 2015**

	2016	2015
Operating revenues:		
Charges for services	\$ 36,443,581	\$ 39,663,006
Contributions	64,917	30,085
Other	705,791	719,856
Total operating revenues	37,214,289	40,412,947
Operating expenses:		
Insurance claims, premiums and fees	36,688,179	38,880,741
Operating income	526,110	1,532,206
Nonoperating revenues:		
Income on investments	41,198	29,381
Change in net position	567,308	1,561,587
Fund net position, beginning	12,289,587	10,728,000
Fund net position, ending	\$ 12,856,895	\$ 12,289,587

**Comparative Statement of Cash Flows
Internal Service Funds
For the Years Ended June 30, 2016 and 2015**

	2016	2015
Cash flows from operating activities:		
Cash received from charges for services	\$ 35,653,582	\$ 39,956,481
Cash received from other operating revenue	770,708	749,941
Cash payments for claims paid	<u>(37,894,275)</u>	<u>(35,426,242)</u>
Net cash provided by (used in) operating activities	<u>(1,469,985)</u>	5,280,180
Cash flows from investing activities:		
Interest income	<u>41,198</u>	29,381
Net (decrease)increase in cash and cash equivalents	(1,428,787)	5,309,561
Cash and cash equivalents, beginning of year:	<u>25,528,561</u>	20,219,000
Cash and cash equivalents, end of year	<u>\$ 24,099,774</u>	\$ 25,528,561
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	\$ 526,110	\$ 1,532,206
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
(Increase) decrease in accounts receivable	23,490	(26,526)
(Increase) decrease in due from other funds	(813,489)	320,001
Increase (decrease) in accounts payable	5,488	(92,102)
Increase (decrease) in unpaid claims	(1,237,934)	3,483,929
Increase (decrease) in unearned revenues	<u>26,350</u>	<u>62,672</u>
Total adjustments	<u>(1,996,095)</u>	3,747,974
Net cash provided by (used in) operating activities	<u>\$ (1,469,985)</u>	\$ 5,280,180

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Fiduciary Funds

Fiduciary Funds

Pension Trust Funds

City of Bristol Retirement System - to account for the accumulation of resources to be used for retirement payments in accordance with retirement ordinance computations and times in the future. This fund covers all full-time City employees and noncertified members of the Board of Education. (Certified teachers are included under a State of Connecticut Pension Plan.) Resources are contributed by employees at rates determined by ordinance, by bargaining unit working agreements and by the City at amounts calculated by annual actuarial evaluations.

Firefighters' Benefits Fund - to account for the accumulation of resources to be used for retirement payments in accordance with contract amounts and times in the future. This fund covers all full-time firefighters. Resources are contributed by employees at rates determined by contract and by the City at amounts calculated by annual actuarial evaluations.

Police Benefit Fund - to account for the accumulation of resources to be used for retirement payments in accordance with contract amounts and times in the future. This fund covers all full-time police officers. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by annual actuarial evaluations.

Agency Funds

Senior Citizens Activity Fund - to account for the collection and payment of expenses for senior citizens' trips and special activities.

School Activity Funds - to account for the collection and payment of expenses for education and extracurricular activities.

**Combining Statement of Net Position
Pension Trust Funds
June 30, 2016 with Comparative Totals for 2015**

	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund	Totals	
				2016	2015
Assets					
Cash and cash equivalents	\$ 14,271,197	\$ 12,135,005	\$ 13,029,972	\$ 39,436,174	\$ 11,716,837
Investments	180,521,636	164,640,383	176,613,300	521,775,319	578,971,359
Receivables, net	44,000	-	-	44,000	1,201
Total assets	194,836,833	176,775,388	189,643,272	561,255,493	590,689,397
Liabilities					
Accounts payable	20,003	14,233	13,153	47,389	51,412
Due to other funds	-	-	249,500	249,500	251,000
Total liabilities	20,003	14,233	262,653	296,889	302,412
Net Position					
Restricted for pension benefits	194,816,830	176,761,155	189,380,619	560,958,604	590,386,985
Total net position	\$ 194,816,830	\$ 176,761,155	\$ 189,380,619	\$ 560,958,604	\$ 590,386,985

**Combining Statement of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2016 with Comparative Totals for 2015**

	City of Bristol	Firefighters' Benefits Fund	Police Benefit Fund	Totals	
	Retirement System Fund			2016	2015
Additions:					
Contributions:					
Employer	\$ 44,000	\$ -	\$ -	\$ 44,000	\$ 127,325
Plan members	1,916,440	214,752	451,452	2,582,644	2,419,096
Total contributions	1,960,440	214,752	451,452	2,626,644	2,546,421
Investment income:					
Net appreciation (depreciation) in fair value of investments	(5,341,691)	(4,682,091)	(5,054,908)	(15,078,690)	(10,603,647)
Interest and dividends	3,246,354	2,843,838	3,069,750	9,159,942	10,496,827
	(2,095,337)	(1,838,253)	(1,985,158)	(5,918,748)	(106,820)
Less investment expense	(259,896)	(61,788)	(66,705)	(388,389)	(435,895)
Net investment income (loss)	(2,355,233)	(1,900,041)	(2,051,863)	(6,307,137)	(542,715)
Total additions	(394,793)	(1,685,289)	(1,600,411)	(3,680,493)	2,003,706
Deductions:					
Benefits	12,729,562	3,839,239	5,830,138	22,398,939	21,687,626
Administration	1,191,700	1,038,819	1,118,430	3,348,949	3,699,511
Other	-	-	-	-	(416)
Total deductions	13,921,262	4,878,058	6,948,568	25,747,888	25,386,721
Net change	(14,316,055)	(6,563,347)	(8,548,979)	(29,428,381)	(23,383,015)
Net position restricted for pension benefits, beginning	209,132,885	183,324,502	197,929,598	590,386,985	613,770,000
Net position restricted for pension benefits, ending	\$ 194,816,830	\$ 176,761,155	\$ 189,380,619	\$ 560,958,604	\$ 590,386,985

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016**

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Senior Citizens Activity Fund				
Assets				
Cash and cash equivalents	\$ 55,108	\$ 194,438	\$ 193,344	\$ 56,202
Liabilities				
Accounts payable	\$ 5,935	\$ 175,914	\$ 181,420	\$ 429
Due to senior citizens	49,173	193,520	186,920	55,773
Total	\$ 55,108	\$ 369,434	\$ 368,340	\$ 56,202
School Activity Fund				
Cash and cash equivalents	\$ 553,195	\$ 1,071,623	\$ 1,071,411	\$ 553,407
Investments	115,362	344	179	115,527
Total	\$ 668,557	\$ 1,071,967	\$ 1,071,590	\$ 668,934
Liabilities				
Due to student groups	\$ 668,557	\$ 1,071,967	\$ 1,071,590	\$ 668,934
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 608,303	\$ 1,266,061	\$ 1,264,755	\$ 609,609
Investments	115,362	344	179	115,527
Total	\$ 723,665	\$ 1,266,405	\$ 1,264,934	\$ 725,136
Liabilities				
Accounts payable	\$ 5,935	\$ 175,914	\$ 181,420	\$ 429
Due to senior citizens	49,173	193,520	186,920	55,773
Due to student groups	668,557	1,071,967	1,071,590	668,934
Total	\$ 723,665	\$ 1,441,401	\$ 1,439,930	\$ 725,136

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Statistical Section - unaudited

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.

**Net Position by Component - Unaudited
Last Ten Fiscal Years**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Net investment in capital assets	\$ 268,588,824	\$ 261,086,435	\$ 256,306,000	\$ 251,935,000	\$ 226,701,000	\$ 179,772,000	\$ 206,272,000	\$ 201,557,000	\$ 207,039,000	\$ 200,700,000
Restricted	179,606,533	1,109,796	1,095,000	1,004,000	930,000	752,000	655,000	557,000	487,000	410,000
Unrestricted	81,904,688	275,282,127	36,201,000	30,900,000	46,977,000	61,786,000	27,173,000	36,804,000	39,534,000	51,656,000
Total governmental activities net position	530,100,045	537,478,358	293,602,000	283,839,000	274,608,000	242,310,000	234,100,000	238,918,000	247,060,000	252,766,000
Business-type activities:										
Net investment in capital assets	20,196,326	20,654,635	20,910,000	20,027,000	19,971,000	19,706,000	20,667,000	20,592,000	19,815,000	18,427,000
Unrestricted	6,832,695	6,528,889	5,494,000	5,377,000	4,810,000	5,314,000	3,598,000	3,729,000	4,880,000	6,297,000
Total business-type activities net position	27,029,021	27,183,524	26,404,000	25,404,000	24,781,000	25,020,000	24,265,000	24,321,000	24,695,000	24,724,000
Primary government:										
Net investment in capital assets	288,785,150	281,741,070	277,216,000	271,962,000	246,672,000	199,478,000	226,939,000	222,149,000	226,854,000	219,127,000
Restricted	179,606,533	1,109,796	1,095,000	1,004,000	930,000	752,000	655,000	557,000	487,000	410,000
Unrestricted	88,737,383	281,811,016	41,695,000	36,277,000	51,787,000	67,100,000	30,771,000	40,533,000	44,414,000	57,953,000
Total primary government activities net position	\$ 557,129,066	\$ 564,661,882	\$ 320,006,000	\$ 309,243,000	\$ 299,389,000	\$ 267,330,000	\$ 258,365,000	\$ 263,239,000	\$ 271,755,000	\$ 277,490,000

Notes:

Schedule prepared on the accrual basis of accounting.

Changes in Net Position - Unaudited
Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	\$ 20,970,806	\$ 15,826,836	\$ 10,867,000	\$ 12,352,000	\$ 12,567,000	\$ 12,549,000	\$ 14,433,000	\$ 14,551,000	\$ 20,241,000	\$ 11,110,000
Public Safety	33,028,169	25,983,268	31,240,000	31,136,000	30,704,000	31,719,000	31,548,000	29,854,000	27,794,000	24,268,000
Public Works	33,358,035	28,439,401	27,337,000	25,065,000	31,689,000	25,183,000	24,696,000	28,190,000	24,493,000	27,278,000
Health and Welfare	8,749,471	8,536,374	6,705,000	7,243,000	6,003,000	6,327,000	5,656,000	6,445,000	5,914,000	5,995,000
Libraries	3,232,404	3,443,583	2,902,000	3,032,000	3,121,000	2,739,000	2,651,000	2,933,000	2,536,000	2,369,000
Parks and Recreation	3,744,334	3,420,506	3,344,000	3,345,000	3,926,000	3,201,000	2,972,000	3,032,000	3,442,000	3,175,000
Education	142,696,114	136,084,395	132,972,000	128,708,000	133,432,000	123,128,000	122,597,000	122,846,000	146,877,000	108,150,000
Miscellaneous	-	-	-	-	-	-	-	-	837,000	694,000
Interest on long-term debt	2,093,677	2,306,348	2,584,000	3,041,000	2,070,000	2,830,000	2,246,000	2,063,000	2,054,000	2,335,000
Total governmental activities expenses	247,873,010	224,040,711	217,951,000	213,922,000	223,512,000	207,676,000	206,799,000	209,914,000	234,188,000	185,374,000
Business-type activities:										
Water	7,585,568	7,267,743	6,909,000	7,066,000	6,775,000	6,529,000	6,208,000	6,458,000	5,936,000	6,154,000
Total business-type activities net position	7,585,568	7,267,743	6,909,000	7,066,000	6,775,000	6,529,000	6,208,000	6,458,000	5,936,000	6,154,000
Total primary government expenses	255,458,578	231,308,454	224,860,000	220,988,000	230,287,000	214,205,000	213,007,000	216,372,000	240,124,000	191,528,000
Program Revenues										
Governmental activities										
Charges for services:										
General government	1,310,578	1,756,430	2,389,000	2,151,000	2,114,000	2,310,000	2,481,000	2,367,000	2,914,000	3,490,000
Public Works	9,888,737	7,991,234	8,573,000	7,380,000	7,263,000	7,138,000	6,582,000	6,710,000	6,213,000	6,325,000
Education	1,308,475	1,464,302	1,324,000	1,405,000	1,850,000	1,903,000	2,132,000	2,077,000	2,380,000	2,247,000
Other	2,064,396	1,774,339	2,457,000	1,839,000	2,693,000	2,431,000	2,492,000	2,296,000	2,352,000	1,917,000
Operating grants and contributions	79,078,101	76,414,293	76,664,000	69,848,000	73,300,000	69,468,000	68,554,000	67,428,000	94,611,000	57,800,000
Capital grants and contributions	7,648,148	2,735,539	4,950,000	8,696,000	42,600,000	10,704,000	4,014,000	2,896,000	3,833,000	8,641,000
Total governmental activities program revenues	101,298,435	92,136,137	96,357,000	91,319,000	129,820,000	93,954,000	86,255,000	83,774,000	112,303,000	80,420,000
Business-type Activities:										
Charges for services	7,431,065	7,344,944	7,207,000	7,259,000	6,838,000	6,327,000	5,668,000	5,393,000	5,497,000	5,428,000
Capital grants and contributions	-	-	28,000	25,000	27,000	8,000	33,000	30,000	90,000	209,000
Total business-type activities program revenues	7,431,065	7,344,944	7,235,000	7,284,000	6,865,000	6,335,000	5,701,000	5,423,000	5,587,000	5,637,000
Total primary government program revenues	108,729,500	99,481,081	103,592,000	98,603,000	136,685,000	100,289,000	91,956,000	89,197,000	117,890,000	86,057,000

Changes in Net Position - Unaudited (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (expense)/revenue										
Governmental activities	\$(146,574,575)	\$(131,904,574)	\$(121,594,000)	\$(122,603,000)	\$ (93,692,000)	\$(113,722,000)	\$(120,544,000)	\$(126,140,000)	\$(121,885,000)	\$(104,954,000)
Business-type activities	(154,503)	77,201	326,000	218,000	90,000	(194,000)	(507,000)	(1,035,000)	(349,000)	(517,000)
Total primary government net expense	(146,729,078)	(131,827,373)	(121,268,000)	(122,385,000)	(93,602,000)	(113,916,000)	(121,051,000)	(127,175,000)	(122,234,000)	(105,471,000)
General revenues and other changes in net expenses										
Governmental activities:										
Property taxes	134,464,509	134,240,052	128,534,000	125,518,000	117,982,000	117,274,000	110,752,000	111,163,000	106,391,000	103,644,000
Grants and contributions not restricted to specific purposes	600,091	592,457	2,231,000	5,199,000	7,504,000	4,354,000	4,553,000	5,421,000	6,548,000	6,409,000
Unrestricted investment earnings	444,898	369,645	420,000	347,000	354,000	302,000	396,000	1,332,000	2,944,000	3,700,000
Other general revenues	3,686,764	3,260,140	172,000	770,000	150,000	2,000	25,000	82,000	296,000	147,000
Total governmental activities	139,196,262	138,462,294	131,357,000	131,834,000	125,990,000	121,932,000	115,726,000	117,998,000	116,179,000	113,900,000
Business-type activities:										
Unrestricted investment earnings	444,898	-	674,000	405,000	(329,000)	949,000	451,000	661,000	320,000	325,000
Total business-type activities	-	-	674,000	405,000	(329,000)	949,000	451,000	661,000	320,000	325,000
Total primary government	139,196,262	138,462,294	132,031,000	132,239,000	125,661,000	122,881,000	116,177,000	118,659,000	116,499,000	114,225,000
Changes in net position										
Governmental activities	(7,378,313)	6,557,720	9,763,000	9,231,000	32,298,000	8,210,000	(4,818,000)	(8,142,000)	(5,706,000)	8,946,000
Business-type activities	(154,503)	77,201	1,000,000	623,000	(239,000)	755,000	(56,000)	(374,000)	(29,000)	(192,000)
Total primary government	\$ (7,532,816)	\$ 6,634,921	\$ 10,763,000	\$ 9,854,000	\$ 32,059,000	\$ 8,965,000	\$ (4,874,000)	\$ (8,516,000)	\$ (5,735,000)	\$ 8,754,000

Notes:

Schedule prepared on the accrual basis of accounting.

**Fund Balances of Governmental Funds - Unaudited
Last Ten Fiscal Years**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,000	\$ 998,000	\$ 1,859,000	\$ 1,419,000
Unreserved	-	-	-	-	-	-	27,323,000	26,953,000	27,194,000	26,302,000
Nonspendable	8,817	588	2,000	3,000	2,000	10,000	-	-	-	-
Committed	3,064,919	3,057,414	3,856,000	3,835,000	3,848,000	4,975,000	-	-	-	-
Assigned	4,345,929	2,053,023	1,113,000	2,112,000	1,617,000	2,008,000	-	-	-	-
Unassigned	28,737,167	26,605,958	25,955,000	24,149,000	23,963,000	21,444,000	-	-	-	-
Total general fund	\$ 36,156,832	\$ 31,716,983	\$ 30,926,000	\$ 30,099,000	\$ 29,430,000	\$ 28,437,000	\$ 28,072,000	\$ 27,951,000	\$ 29,053,000	\$ 27,721,000
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,611,000	\$ 5,409,000	\$ 6,582,000	\$ 5,339,000
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	8,726,000	8,301,000	7,817,000	7,579,000
Capital Projects Funds	-	-	-	-	-	-	(22,123,000)	(6,289,000)	(5,055,000)	1,853,000
Permanent Funds	-	-	-	-	-	-	419,000	375,000	311,000	246,000
Nonspendable	923,563	866,420	834,000	766,000	690,000	540,000	-	-	-	-
Restricted	5,549,614	6,008,399	5,301,000	3,068,000	4,004,000	3,339,000	-	-	-	-
Committed	16,472,513	18,074,519	17,696,000	19,134,000	28,171,000	34,916,000	-	-	-	-
Assigned	152,698	108,028	59,000	-	120,000	73,000	-	-	-	-
Unassigned	(15,716,865)	(11,783,622)	(8,576,000)	(7,421,000)	(5,533,000)	(512,000)	-	-	-	-
Total all other governmental funds	\$ 7,381,523	\$ 13,273,744	\$ 15,314,000	\$ 15,547,000	\$ 27,452,000	\$ 38,356,000	\$ 2,633,000	\$ 7,796,000	\$ 9,655,000	\$ 15,017,000

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) The City began to report new fund categories when it implements GASB Statement No. 54 in fiscal year 2011.

**Changes in Fund Balances of Governmental Funds - Unaudited
Last Ten Fiscal Years**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes and assessments	\$ 133,131,825	\$ 132,661,254	\$ 126,878,000	\$ 124,646,000	\$ 116,805,000	\$ 116,771,000	\$ 110,803,000	\$ 110,097,000	\$ 105,520,000	\$ 102,760,000
Interest an lien fees on delinquent taxes and assessments	920,530	953,500	904,000	1,024,000	750,000	927,000	1,073,000	1,087,000	1,012,000	1,053,000
Licenses, permits and fees	3,334,376	2,321,204	7,141,000	6,971,000	7,397,000	6,983,000	6,184,000	6,241,000	6,028,000	5,897,000
Intergovernmental	86,380,385	82,155,003	82,123,000	82,065,000	122,110,000	83,270,000	75,924,000	74,737,000	104,114,000	72,764,000
Charges for services	11,225,218	10,889,718	6,512,000	5,557,000	6,222,000	6,337,000	7,314,000	6,834,000	7,475,000	7,299,000
Income on investments	1,811,405	1,670,515	394,000	318,000	318,000	264,000	347,000	1,206,000	2,643,000	3,307,000
Miscellaneous	3,266,211	2,718,572	2,746,000	2,935,000	2,018,000	1,895,000	1,706,000	1,724,000	1,664,000	2,054,000
Total revenues	240,069,950	233,369,766	226,698,000	223,516,000	255,620,000	216,447,000	203,351,000	201,926,000	228,456,000	195,134,000
Expenditures:										
General government	7,766,024	6,898,392	6,952,000	7,192,000	7,119,000	6,820,000	7,294,000	7,264,000	7,520,000	8,274,000
Public Safety	23,926,373	24,357,911	22,730,000	22,336,000	21,610,000	22,250,000	21,799,000	21,181,000	20,905,000	19,957,000
Public Works	19,801,976	20,356,499	20,363,000	18,806,000	22,437,000	17,804,000	17,111,000	21,280,000	19,919,000	19,683,000
Health and Welfare	8,078,721	7,997,968	6,516,000	6,037,000	6,099,000	6,095,000	5,488,000	6,265,000	5,611,000	4,784,000
Libraries	2,299,115	2,168,546	2,020,000	2,016,000	2,306,000	1,976,000	1,981,000	1,969,000	1,981,000	1,963,000
Parks and Recreation	2,981,876	2,539,006	2,375,000	2,495,000	2,822,000	2,433,000	2,396,000	2,487,000	2,419,000	2,234,000
Education	120,645,180	118,488,322	114,144,000	107,414,000	111,168,000	106,565,000	106,740,000	105,358,000	131,203,000	96,495,000
Citywide:										
Employee benefits and pensions	3,631,894	3,107,573	3,719,000	3,349,000	3,898,000	4,393,000	2,637,000	2,702,000	2,892,000	2,719,000
Insurance	27,289,295	30,653,291	820,000	586,000	967,000	465,000	589,000	681,000	655,000	713,000
Capital outlay	541,457	768,352	379,000	946,000	514,000	1,352,000	792,000	758,000	837,000	692,000
Miscellaneous	18,507,685	8,324,692	7,569,000	27,462,000	55,434,000	19,760,000	10,521,000	15,309,000	10,906,000	16,715,000
Debt service:										
Principal retirement	6,511,853	6,472,551	6,556,000	6,645,000	4,545,000	4,575,000	4,570,000	4,935,000	4,934,000	5,099,000
Interest and fiscal charges	2,372,010	2,486,904	2,738,000	3,191,000	2,620,000	2,002,000	2,292,000	2,009,000	2,306,000	1,855,000
Total expenditures	244,353,459	234,620,007	196,881,000	208,475,000	241,539,000	196,490,000	184,210,000	192,198,000	212,088,000	181,183,000
Excess of revenues over (under) expenditures	(4,283,509)	(1,250,241)	29,817,000	15,041,000	14,081,000	19,957,000	19,141,000	9,728,000	16,368,000	13,951,000
Other Financing Sources (Uses)										
Transfers in	16,366,913	19,514,255	19,653,000	20,660,000	14,946,000	12,665,000	13,797,000	14,150,000	14,895,000	14,015,000
Transfers out	(16,366,913)	(19,514,255)	(48,876,000)	(46,937,000)	(39,124,000)	(37,217,000)	(37,620,000)	(36,165,000)	(35,293,000)	(34,227,000)
Proceeds from capital leases	-	-	-	-	-	-	-	8,900,000	-	-
Proceeds from borrowing	2,724,099	-	-	-	-	39,587,000	-	-	-	21,606,000
Proceeds from refunding	7,117,000	-	-	-	21,823,000	-	-	-	-	-
Premium on bonds issued	488,252	-	-	-	2,932,000	1,096,000	-	66,000	-	-
Payment to refunded bond escrow agent	(7,498,214)	-	-	-	(24,569,000)	-	-	-	-	-
Total other financing sources (uses)	2,831,137	-	(29,223,000)	(26,277,000)	(23,992,000)	16,131,000	(23,823,000)	(13,049,000)	(20,398,000)	1,394,000
Net changes in fund balances	\$ (1,452,372)	\$ (1,250,241)	\$ 594,000	\$ (11,236,000)	\$ (9,911,000)	\$ 36,088,000	\$ (4,682,000)	\$ (3,321,000)	\$ (4,030,000)	\$ 15,345,000

Debt Service as a Percentage of	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Noncapital Expenditures	3.8%	4.0%	5.0%	5.5%	3.9%	3.8%	4.0%	4.0%	3.8%	4.4%

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

**Assessed Value and Estimated Actual Value of Taxable Property - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Residential	Commercial	Industrial	Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value (2)
2016	\$ 2,526,113,000	\$ 494,204,000	\$ 218,325,000	\$ 522,136,000	\$ 372,552,000	\$ 288,994,000	\$ 3,845,132,000	36.03%	\$ 5,493,045,000	70%
2015	2,520,182,000	492,698,000	218,310,000	528,973,000	373,950,000	312,023,000	3,822,090,000	34.61%	5,460,128,000	70%
2014	2,517,026,000	485,406,000	222,796,000	470,728,000	369,672,000	232,210,000	3,833,418,000	34.61%	5,479,591,000	70%
2013	2,508,327,000	475,097,000	223,871,000	432,801,000	363,427,000	226,673,000	3,776,850,000	33.50%	5,395,500,000	70%
2012 (3)	3,041,932,000	495,045,000	230,458,000	408,548,000	365,967,000	223,986,000	4,317,964,000	28.75%	6,168,720,000	70%
2011	3,038,627,000	486,786,000	230,731,000	387,052,000	342,385,000	211,187,000	4,274,394,000	27.24%	6,106,277,000	70%
2010	3,119,391,000	760,652,000	232,187,000	381,500,000	331,617,000	181,046,000	4,644,301,000	27.24%	6,250,208,000	70%
2009	3,026,970,000	454,990,000	242,253,000	372,646,000	323,890,000	174,309,000	4,246,440,000	25.99%	6,066,343,000	70%
2008 (3)	3,022,346,000	441,107,000	235,464,000	365,396,000	342,196,000	171,074,000	4,235,435,000	34.71%	6,050,621,000	70%
2007	2,015,854,000	284,262,000	183,537,000	373,548,000	338,877,000	155,518,000	3,040,560,000	34.21%	4,343,658,000	70%

Source:

Notes:

- (1) Assessed values for all real and personal property located within the City on October 1 are included on the Grand List by the Assessor's Office. A Board of Assessment Appeals determines whether adjustments to the Assessor's list under appeal are warranted. Assessments are computed at 70% of market value. A revaluation of all property within the City is required to be completed no less than every ten years.
- (2) Equalized Net Grand List is compiled by the State of Connecticut, Office of Policy and Management, as a factor in figuring aid to education, and is produced by comparing sample sales of real estate, or market value, to the assessed value of the property on the Town/City's books. The resulting sales assessment ratio is used to equalize grand lists for each Town/City in Connecticut. These computations usually take one year to compile.
- (3) Revaluation year

Principal Property Taxpayers - Unaudited
2014 and 2005

Taxpayer	October 1, 2014			October 1, 2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ESPN	\$ 193,854,000	1	5.07%	\$ 224,175,000	1	7.10%
Connecticut Light & Power	49,359,000	2	1.29%	25,809,000	3	1.20%
Covanta	44,829,000	3	1.20%	-		0.00%
Bristol Center LLC	32,758,000	4	0.86%	-		0.00%
Federal Realty Investment Trust	22,149,000	5	0.58%	13,598,000	6	0.40%
Bristol Sports Dst	20,791,000	6	0.54%	-		0.00%
Carpenter Realty Company	20,483,000	7	0.54%	11,648,000	9	0.40%
Festival Fun Parks	14,755,000	8	0.39%	-		0.00%
Huntington Woods Limited Partnership	14,069,000	9	0.37%	-		0.00%
Elk Bristol Annex LLC	13,892,000	10	0.36%	-		0.00%
Ogden Martin Systems of Bristol Inc	-		0.00%	37,977,000	2	1.20%
Webster Bank	-		0.00%	15,374,000	4	0.80%
Theis Precision Steel	-		0.00%	14,885,000	5	0.50%
Barnes Group	-		0.00%	13,431,000	7	0.40%
Otis Elevator	-		0.00%	11,831,000	8	0.40%
Bristol Industries Associates LLC	-		0.00%	10,369,000	10	0.30%
Total	\$ 426,939,000		11.20%	\$ 379,097,000		12.70%

October 1, 2014 Assessment
 October 1, 2005 Assessment
 Source: City of Bristol, Office of Tax Assessor

** New ownership as of 4/28/2005
 *** Real estate ownership entity for Covanta

**Property Tax Levies and Collections - Unaudited
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Rate in Mills	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Tax Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percentage of Levy
2016	34.61%	\$ 133,581,000	\$ 131,820,000	98.68%	\$ -	\$ 131,820,000	98.68%
2015	34.61%	133,926,000	131,874,000	98.47%	1,582,000	133,456,000	99.65%
2014	33.50%	127,580,000	125,620,000	98.46%	1,927,000	127,547,000	99.97%
2013	28.75%	125,055,000	123,492,000	98.75%	1,207,000	124,699,000	99.72%
2012	27.24%	117,108,000	115,629,000	98.74%	1,104,000	116,733,000	99.68%
2011	27.24%	116,860,000	115,256,000	98.63%	1,033,000	116,289,000	99.51%
2010	25.99%	110,770,000	108,912,000	98.32%	1,141,000	110,053,000	99.35%
2009	25.99%	110,740,000	108,691,000	98.15%	1,641,000	110,332,000	99.63%
2008	34.71%	106,413,000	104,402,000	98.11%	1,417,000	105,819,000	99.44%
2007	34.21%	103,075,000	100,951,000	97.94%	1,447,000	102,398,000	99.34%

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

**Ratios of Outstanding Debt by Type - Unaudited
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Ratio of Debt to Estimated Taxable Assessed Value	Debt Per Capita	Total Debt Outstanding as a Percentage of Personal Income
	General Obligation Bonds	Water				
2016	\$ 63,161,855	\$ 3,408,163	\$ 66,570,018	1.73%	1,099	0.05%
2015	66,950,826	3,652,100	70,602,926	1.85%	1,165	0.04%
2014	73,745,000	4,142,000	77,887,000	1.93%	1,222	0.05%
2013	79,042,000	4,118,000	83,160,000	2.20%	1,340	0.04%
2012	85,838,000	4,723,000	90,561,000	2.10%	1,462	0.04%
2011	89,235,000	5,263,000	94,498,000	2.21%	1,551	0.04%
2010	54,225,000	5,000,000	59,225,000	1.39%	972	0.04%
2009	58,793,000	5,549,000	64,342,000	1.52%	1,060	0.04%
2008	54,826,000	6,109,000	60,935,000	1.44%	999	0.04%
2007	59,762,000	7,034,000	66,796,000	1.54%	1,090	0.04%
2006	43,255,000	4,355,000	47,610,000	1.07%	781	0.05%

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

Schedule of Debt Limitation - Unaudited
June 30, 2016

Total Fiscal Year 2015 tax collections (taxes, interest and fees)						\$ 134,060,000
Tax Relief for the Elderly - Freeze						4,000
Base for establishing debt limit						<u>\$ 134,064,000</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	Total
Debt Limitation						
2 1/4 times base	\$ 301,644,000	\$ -	\$ -	\$ -	\$ -	\$ 301,644,000
4 1/2 times base	-	603,288,000	-	-	-	603,288,000
3 3/4 times base	-	-	502,740,000	-	-	502,740,000
3 1/4 times base	-	-	-	435,708,000	-	435,708,000
3 times base	-	-	-	-	402,192,000	402,192,000
Total debt limitation	<u>301,644,000</u>	<u>603,288,000</u>	<u>502,740,000</u>	<u>435,708,000</u>	<u>402,192,000</u>	<u>2,245,572,000</u>
Debt, as defined by Statute:						
Bonds and notes payable	23,312,000	28,042,000	4,260,000	-	-	55,614,000
Bond anticipation notes payable	4,500,000	-	-	-	-	4,500,000
Bonds authorized and unissued	41,305,106	83,169,965	17,000,000	-	-	141,475,071
State grant commitments	-	(58,786,244)	(7,440,019)	-	-	(66,226,263)
Total indebtedness	<u>69,117,106</u>	<u>52,425,721</u>	<u>13,819,981</u>	<u>-</u>	<u>-</u>	<u>135,362,808</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 232,526,894</u>	<u>\$ 550,862,279</u>	<u>\$ 488,920,019</u>	<u>\$ 435,708,000</u>	<u>\$ 402,192,000</u>	<u>\$ 2,110,209,192</u>

Note: In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$938,448,000.

City of Bristol, Connecticut

Legal Debt Margin Information - Unaudited
Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limitation	\$ 938,448,000	\$ 935,963,000	\$ 894,341,000	\$ 879,487,000	\$ 822,668,000	\$ 823,725,000	\$ 782,901,000	\$ 777,462,000	\$ 747,175,000	\$ 726,418,000
Total net debt applicable to limit	135,362,808	135,362,808	86,303,000	93,369,000	100,679,000	104,310,000	93,200,000	97,690,000	55,549,000	60,483,000
Legal Debt Margin	\$ 803,085,192	\$ 800,600,192	\$ 808,038,000	\$ 786,118,000	\$ 721,989,000	\$ 719,415,000	\$ 689,701,000	\$ 679,772,000	\$ 691,626,000	\$ 665,935,000
Total net debt applicable to the limit as percentage of debt limit	14.42%	14.46%	9.65%	10.62%	12.24%	12.66%	11.90%	12.57%	7.43%	8.33%

Source: Comprehensive annual financial report - Schedule of Debt Limitation

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

**Demographic and Employment Statistics - Unaudited
Last Ten Calendar Years**

Calendar Year	Population (1)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)	Personal Income (5)
2016	60,570	30,555	40	8,353	6.3%	35,534
2015	60,586	30,555	40	8,052	7.0%	35,354
2014	60,603	30,555	40	8,228	7.6%	35,534
2013	60,603	30,555	40	8,366	8.2%	35,534
2012	60,510	30,555	40	8,365	8.8%	35,534
2011	60,092	30,555	40	8,508	9.4%	35,534
2010	60,927	30,555	40	8,699	9.8%	35,534
2009	60,679	30,555	40	8,656	9.1%	35,534
2008	60,991	30,555	40	8,781	6.1%	35,534
2007	61,258	25,782	39	8,892	5.1%	35,534
2006	60,992	25,782	39	9,008	4.9%	35,534

(1) Source: State Health Department

(2) Source: State Department of Economic Development, 2010 Census

(3) Source: Bristol Board of Education

(4) Source: State Department of Labor (2012 Average as of August 31, 2012)

(5) Source: U.S. Census Bureau, 2000 Census

**Principal Employers - Unaudited
Current and Seven Years Ago**

Employer	Nature of Business	2016			2009*		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ESPN	Sports Broadcasting	4,200	1	13.70%	3,800	1	10.85%
Bristol Hospital, Inc.	Healthcare	1,684	2	5.05%	1,750	2	5.00%
City of Bristol & Board of Education	Municipality	1,567	3	4.70%	1,574	3	4.49%
Sheriden Woods Health Care Center	Health Care	225	4	0.67%	180	6	0.51%
IDEX Health & Science LLC	Health Care	200	5	0.60%	200	5	0.57%
Stop & Shop	Grocery Store	175	6	0.52%	150	8	0.43%
Quality Coils	Manufacturing	170	7	0.51%	170	7	0.49%
The Pines at Bristol	Health Care	140	8	0.42%	140	10	0.40%
Stephen AutoMall Centre	Retail	130	9	0.39%	200	4	0.57%
Rowley Spring	Manufacturing	95	10	0.28%	150	9	0.43%
Total		8,586		26.84%	8,314		23.74%

Source: Bristol Chamber of Commerce & Bristol Development Authority

* Information not available prior to 2007

**Full-Time Equivalent City Government Employees by Function/Program - Unaudited
Last Ten Fiscal Years**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	74	75	74	75	85	82	87	87	87	90
Police	144	146	140	134	134	138	150	150	147	147
Fire	88	88	88	88	89	90	93	93	93	92
Public Works	115	113	105	113	117	118	127	127	135	136
Parks and Recreation	21	22	19	21	21	21	23	23	22	20
Library	30	30	28	30	29	30	30	30	28	30
Education	1,061	1,090	1,065	1,061	1,065	1,121	1,110	1,143	1,155	1,131
Water Department	34	36	34	34	34	34	36	36	36	35
Total	1,567	1,600	1,553	1,556	1,574	1,634	1,656	1,689	1,703	1,681

Source: City of Bristol, Personnel Office and Board of Education, Personnel Office

**Operating Indicators by Function/Program - Unaudited
Last Ten Fiscal Years**

Function/Program	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government										
Building permits issued	1,566	1,403	1,420	1,284	1,325	1,322	1,494	1,512	1,533	1,728
Police										
Physical arrests	2,228	2,345	2,389	2,539	2,638	2,655	2,920	3,289	2,526	3,451
Parking violations	2,391	1,556	1,969	2,478	3,443	1,695	3,103	3,969	4,309	3,402
Traffic violations	7,528	7,107	7,143	6,767	6,072	8,560	10,492	10,200	10,098	10,246
Fire										
Emergency responses	2,361	2,261	2,037	2,195	2,935	1,353	999	1,016	2,636	3,036
Fires extinguished	268	222	224	249	272	233	200	124	280	252
Inspections	1,237	1,246	884	877	998	1,255	1,978	814	849	475
Refuse Collection										
Refuse collected (tons per day)	62.03	62.87	62.86	65.20	73.61	67.24	69.17	69.93	73.00	76.52
Recyclables collected (tons per day)	15.56	18.36	16.98	16.64	16.11	13.35	13.48	13.58	12.00	11.00
Other Public Works										
Street resurfacing (miles)	16.50	14.30	12.50	10.20	8.20	7.50	5.50	11.00	9.20	8.80
Potholes repaired	750	850	800	750	750	830	920	1,050	1,000	1,000
Parks and Recreation										
Athletic field permits issued	1,832	1,739	1,696	1,522	1,591	1,246	1,050	1,050	1,083	992
Library										
Volumes in collection	227,372	232,082	213,151	214,288	215,250	209,150	200,600	193,869	192,261	180,180
Total volumes borrowed	275,736	313,755	311,116	311,714	327,807	331,043	344,386	351,025	353,329	336,680
Water										
New connections:										
Water main breaks	19	31	27	21	19	15	24	21	19	23
Average daily production (thousands of gallons)	5,117	5,270	5,020	5,118	5,219	5,455	5,261	5,400	5,500	5,300
Peak daily production (thousands of gallons)	8,498	7,754	7,006	7,731	8,841	9,720	7,474	7,716	7,385	8,074
Wastewater										
Average daily sewage treatment (millions of gallons daily)	5.80	7.10	8.90	8.10	9.30	8.50	8.60	8.60	8.00	8.96

N/A - Information not available

Source: City of Bristol Building Department, Police Department, Fire Department, Parks and Recreation Department, Public Works Department, Library, Water Department and Water Pollution Control

**Capital Assets by Function/Program - Unaudited
Last Ten Fiscal Years**

Function/Program	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol units	30	30	30	30	30	30	30	30	30	30
Fire stations	5	5	5	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	25	27	27	25	30	30	31	28	28	28
Other Public Works										
Streets (miles)	235.0	235.0	235.0	235.0	232.0	232.0	232.0	232.0	232.0	225.0
Highways (miles)	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8
Streetlights	5,539	5,539	5,538	5,535	5,523	5,500	5,500	5,493	5,005	5,456
Traffic signals	24	24	24	24	24	24	24	24	24	24
Parks and Recreation										
Acreage	730	730	720	700	700	700	700	700	700	700
Playgrounds	8	8	8	8	8	8	8	8	8	8
Baseball/softball diamonds	23	15	15	12	10	10	10	10	10	10
Soccer/football fields	6	6	6	6	5	5	5	5	5	5
Community centers	-	-	-	-	-	-	-	-	-	-
Water										
Water mains (miles)	313	313	313	313	313	313	313	313	313	313
Fire hydrants	1,608	1,601	1,611	1,596	1,596	1,591	1,575	1,569	1,561	1,554
Storage capacity (thousands of gallons)	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,280,105	1,281,105	1,281,105	1,281,105	1,281,105
Wastewater										
Sanitary sewers (miles)	245.10	243.40	243.40	242.90	242.90	238.70	237.80	237.80	237.70	236.83
Storm sewers (miles)	224.50	224.00	223.50	223.10	223.10	220.80	220.50	219.90	219.30	218.00
Treatment capacity (millions per day)	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75

Source: City of Bristol Police Department, Fire Department, Parks and Recreation Department, Public Works Department, Water Department and Water Pollution Control