

City of Bristol Connecticut



**Comprehensive Annual Financial Report
Fiscal Year Ending June 30, 2018**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**OF THE
CITY OF BRISTOL, CONNECTICUT**

**FISCAL YEAR
JULY 1, 2017 - JUNE 30, 2018**

Prepared by:

Comptroller's Office

**Diane Waldron
Comptroller**

**CITY OF BRISTOL
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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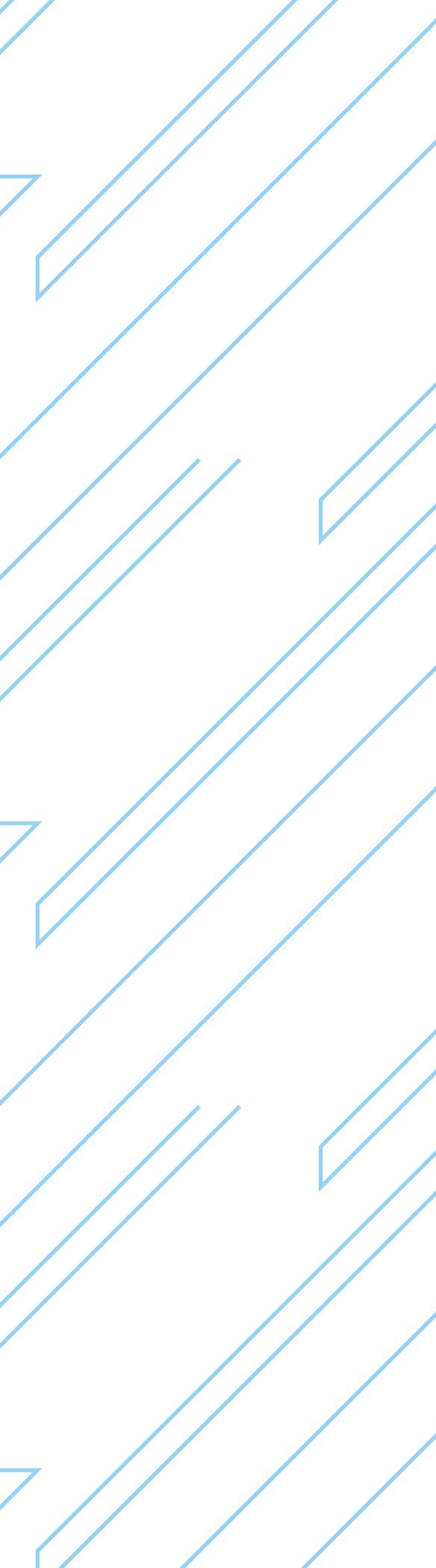
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Introductory Section

CITY OF BRISTOL, CONNECTICUT
For Fiscal Year Ended June 30, 2018

PRINCIPAL OFFICIALS

CITY COUNCIL

Ellen A. Zoppo-Sassu, Mayor
Gregory R. Hahn
Joshua T. Medeiros
Peter B. Kelley, Council Member
David J. Preleski, Council Member
Mary B. Fortier, Council Member
Dave Mills, Council Member

BOARD OF FINANCE

Ellen A. Zoppo-Sassu, Mayor
Cheryl Thibeault, Chairperson
John E. Smith, Vice Chairman
Ron Burns, Commissioner
Orlando Calfe, Commissioner
Jake Carrier, Commissioner
Vacant
Marie O'Brien, Commissioner
Michael LaMothe, Commissioner

ADMINISTRATION

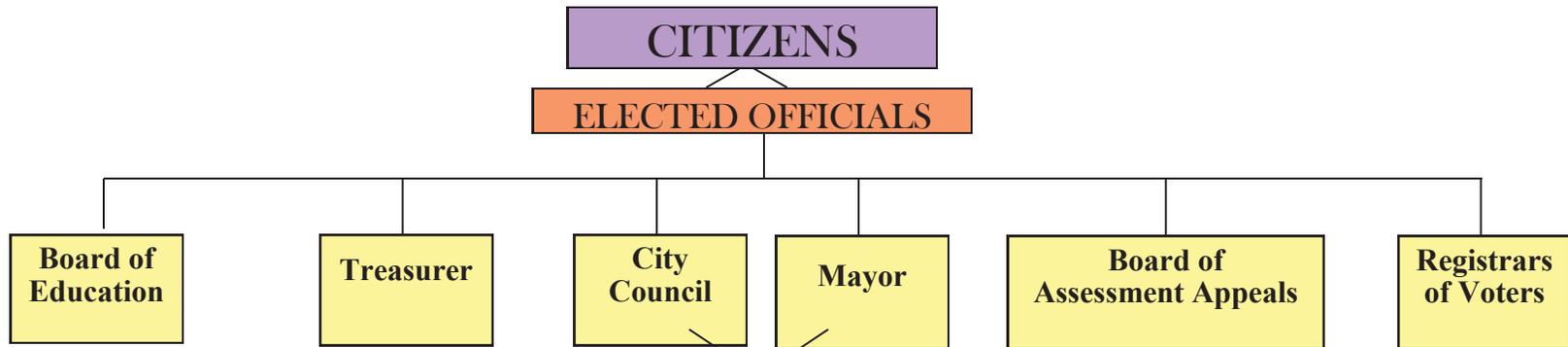
Registrar of Voters – Democrat
Registrar of Voters – Republican
Assessor
Acting Tax Collector
Purchasing Agent
Comptroller
Assistant Comptroller
Treasurer
Personnel Director
Corporation Counsel
Town and City Clerk
Commission on Aging, Director
Director of Youth & Community Services
City Planner
Planning Secretary and City Engineer
Zoning Enforcement Officer
Police Chief
Fire Chief
Emergency Management Director
Chief Building Official
Director of Public Works
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
Ann Bednaz
Roger Rousseau
Diane M. Waldron
Robin Manuele
Thomas O. Barnes, Jr.
Diane Ferguson
Wyland Dale Clift
Therese Pac
Patricia Tomascak
Eileen McNulty
Robert Flanagan
Raymond Rogozinski
Monica L. Holloway
Brian J. Gould
Jay Kolakoski
Harland Graime
Guy Morin
Walter E. Veselka, III
Charles Motes, Jr.
Deborah Prozzo
Brian J. Wilson
Justin Malley
Robert Longo
Susan Kalt Moreau, Ph.D.
Catherine M. Carbone, Ph.D.

BOARD OF EDUCATION

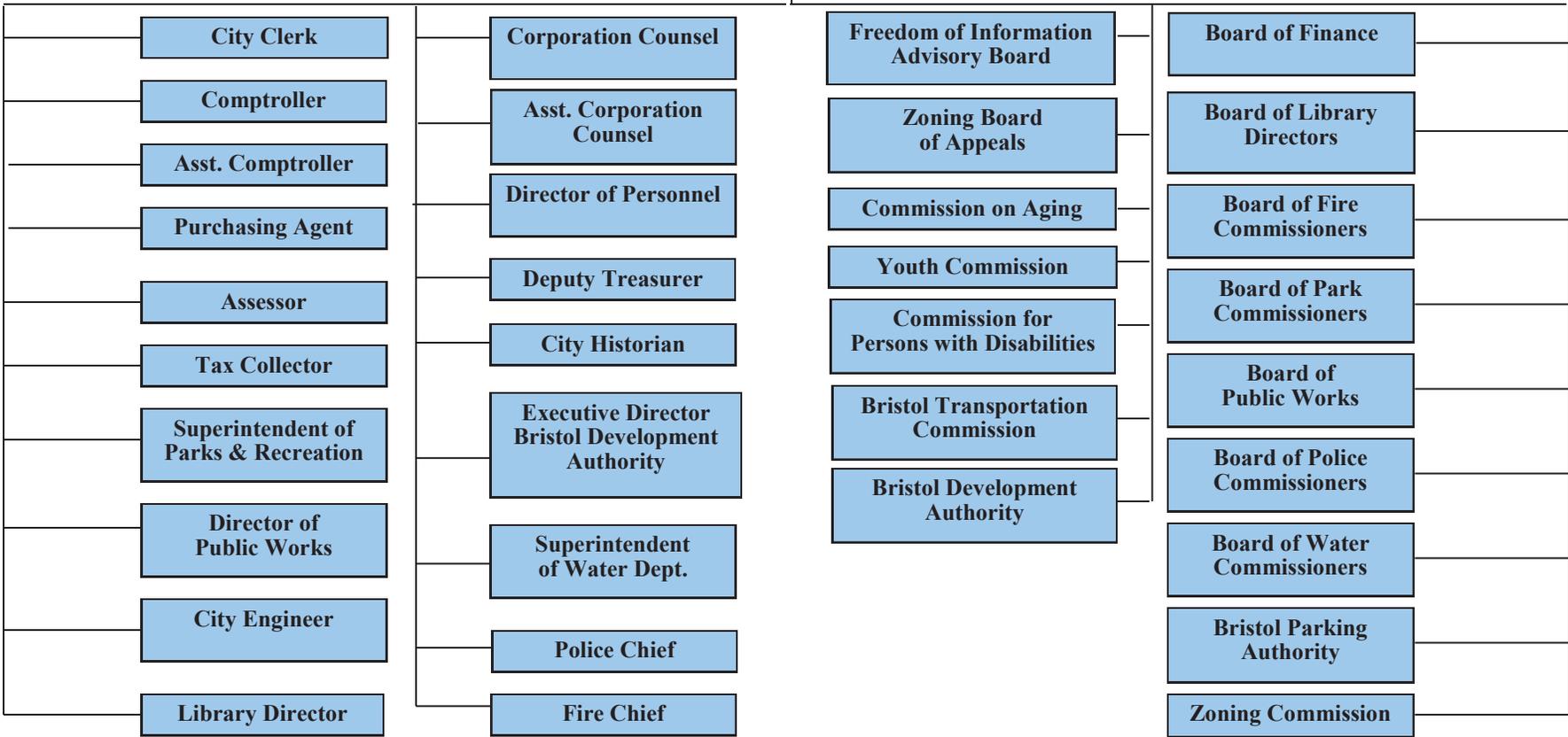
Christopher C. Wilson, Chairman
Jeff Caggiano
Jennifer Dube
Joe P. Grabowski
Karen C. Hintz, Secretary

Karen L. Vibert, Vice Chairperson
Thomas P. O'Brien
Kristen M. Granatek
Tina Marie Taylor



Nominated by Mayor
Appointed by City Council

Hired or appointed in accordance with City of Bristol Charter or Ordinance Board/Commission members nominated by Mayor—confirmed by Council





City of Bristol

BRISTOL, CONNECTICUT 06010

December 28, 2018

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, 2018.

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.

BlumShapiro, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Bristol’s financial statements for the year ended June 30, 2018. 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.

“An Equal Opportunity Employer”

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 these legally separate entities can be found in the notes to the financial statements (See Note 1A).

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 (e.g. General 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

The City issued \$22.5 million in Tax Exempt General Obligation bonds and \$7.9 million in Taxable General Obligation bonds in October, 2018. These bonds were rated AAA and AA+ by Fitch and Standard and Poor's, respectively. The bonds were issued to finance a number of capital improvement projects in process or complete.

Fitch sited Bristol as a suburban City located 20 miles southwest of the state capital city of Hartford with a broad based economy which includes healthcare, manufacturing and is the home of ESPN headquarters, which employs more than 4,000 people. The rating reflects the City's legal ability to raise revenues, have sound expenditure flexibility practices and low long-term liability burden. In addition, the City was able to sustain strong operating performance during a period of economic downturn and recovery.

Standard and Poor's cites Bristol as having a strong economy and management with good financial policies, practices and budgetary performance with very strong budget flexibility, liquidity, debt and contingency liability positions and a strong institutional framework. They highlighted the City's strong fund balance at 16% of operating expenditures.

The City has varied manufacturing and industrial sectors that add 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. ESPN's worldwide headquarters remains the City's largest taxpayer, accounting for approximately 5.5% of the City's total property assessed valuation. ESPN's growth in Bristol is assured by on-going development of an acquisition of 20 adjoining acres. Their digital center, comprises over 193,000 square feet of office space and four technologically advanced production studios. In addition to ESPN 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.

**CITY
OF
BRISTOL**

Downtown redevelopment remains a top priority for reasons of economic vitality and quality of life. The City continues its work to promote an approximate 15 acre City owned, vacant piece of property – dubbed Centre Square – in the heart of the downtown sector. Currently Bristol Hospital is underway on the construction of a 60,000 square foot medical complex that will encompass four acres of the Centre Square site. This project will bring employment opportunities, medical staff, patients and others to the downtown area. The City recently completed construction of the first roadway on this site that will serve Bristol Hospital and future development on this property.

The City's high-profile technology parks are designed to bring manufacturers and similar businesses to Bristol. The 229 Technology Park, located off heavily traveled CT Route 229, hosts nearly 30 businesses with upwards of 1,000 employees. Standout businesses include Otis Elevator, IDEX Health and Science, Multi/Cable Corp, Etter Engineering Co. Inc., and the Covanta trash-to-energy plant. Most recently the City welcomed an Amazon Delivery Station within the 229 Technology Park location. Just down the street, the City's newest technology park - Southeast Bristol Business Park - is approximately 51 acres to host new and innovative companies. The infrastructure for the Park was a jointly funded project of the state and the City. The acreage will ultimately accommodate approximately 750,000 square feet of new space. The Park construction is complete and open for occupancy. The Park already has five tenants, including CMI Specialty Products, Precision Threaded Products, GMN USA, AMKO, and a 130,000 distribution center for the Connecticut/Western Massachusetts PODS portable storage company.

UNEMPLOYMENT

Connecticut's average unemployment rate for the fiscal year decreased from 4.7% in 2017 to 4.5% in 2018 while Bristol's unemployment decreased from 5.4% to 4.8%. Income per capita in Bristol is approximately 15% higher than the national average and household income is 10% higher than the national average at \$61,551.

As a result of a variety of business expansion and relocation incentives to promote development, renewed investment, and new employment opportunities, the City of Bristol expects its Grand List to continue to grow while providing quality employment opportunities for residents. Major employment centers within Bristol include the worldwide headquarters of ESPN, Bristol Hospital, and a number of high-tech manufacturers throughout the City. The most recently opened 60,000 square foot Amazon Delivery Station or "last mile" distribution facility in Bristol will employ between 500-1,000 employees as the facility ramps up operations through the 2018 holiday season. Based on a successful collaboration thus far, the City anticipates further Amazon growth in Bristol in the coming years.

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. As previously mentioned Bristol Hospital is building a 60,000 square foot medical center on the former mall site the City purchased in March 2005 to consolidate its medical facilities throughout the City. The re-use of this 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.

In addition to these efforts the City recently approved the use of Tax Increment Financing (TIF) and adopted a TIF Master Plan as an economic tool to incentivize private development and to provide a funding source for public infrastructure projects in downtown Bristol. Specifically, TIF earmarks the future real property tax revenue increases within the Downtown TIF District to help finance public infrastructure improvements, to fund City administered economic development incentive programs, and/or to help finance private development projects within the TIF District. TIF is NOT a new tax or special assessment on top of the existing property tax but an authorized tool the City could use to promote and incentivize development in the downtown area.

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 12-15% of budgeted operating revenues.

The City has an adopted Debt Policy that establishes parameters and guidance for the Board to make decisions on capital spending and the issuance of debt as a means to finance capital projects. An Investment Policy is in place to provide guidance for cash management and investment of funds in accordance with City policies and goals as well as to meet statutory requirements.

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. 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 increased to \$110,361,655 or a 3% increase. This increases the State's minimum budget requirement (MBR), a state statute that mandates a Board of Education budget must be funded at a minimum to at least the prior year funding level.

Strategies used in balancing the 2017-2018 budget:

- Department Heads were asked to submit a budget between one and a half and two 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
- Prioritize Capital spending in a way to spread costs over time to minimize the tax impact

Percentages

- Requests totaled \$204.7 million from the City side and Board of Education. This represented a \$15.5 million or 8.22% increase over the current budget.
- The Board of Education request was originally an increase of \$7.2 million or 6.79%. Through combined efforts and workshops between the Board of Finance and the Board of Education, this increase was reduced to a 3.0% impact to the MBR (minimum budget requirement). Additionally, the Board of Education benefitted by reductions in benefit costs of \$1.4 million due to the City's Health Benefits Fund projecting a 3% savings.
- General City requests were finalized at a decrease of \$.5 million or 1%
- The overall General Fund budget increase was 1.4% with no tax increase.

While the 2017/18 budget was adopted with a zero percent increase it was a very challenging year for local municipal officials as the State of Connecticut was unable to come to terms with its own budget and aid to municipalities. As a result the City adopted a budget in June 2017 that assumed the City would receive level funding from the State as well as grant revenue based on legislative language at that time on various grants and initiatives. Specifically, the cap on the motor vehicle tax that would have been offset by a new state grant. The State of Connecticut did not adopt a budget until November 2017 and the result was a reduction in State revenues to the City of approximately \$2.6 million. In anticipation of something like this happening the Board of Finance did assign \$2 million of the June 30, 2017 fund balance to offset any reductions that may have finally been adopted by the State.

One change in the pension for June 30, 2018 is a combining of all of the City's pension funds. During the FY2018-2019 budget process the City was facing a significant tax increase primarily as a result of a loss of state revenues realized from the 2017-2018 budget year. Looking at various alternatives to mitigate the tax increase the City focused on the required pension contribution for the City Retirement fund. The City has three pension plans, City Employee Retirement Fund, Firefighter Retirement Fund and Police Retirement Fund. The City is very fortunate in that all funds are extremely well funded. The City plan is at 99.5%, Fire is at 268% and Police is at 164%, however, since the City plan had dipped below the 100% funded ratio a contribution had been required for the last few years, with a significant

increase for the 2018-2019 fiscal year. The pension funds had always historically been combined for investment purposes with activity allocated among the three plans for reporting and actuarial purposes. Recognizing the assets available in the Fire and Police plans, City officials evaluated the best options to combine the funds under one “umbrella” plan to mitigate the required contribution. Working with City officials, the Fire and Police unions, and the City’s actuary and pension attorney the plans were combined for actuarial and reporting purposes effective June 30, 2018.

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, 2017. This was the thirty-first consecutive year in 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, 2017. 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 sixteenth 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 fifteenth consecutive time the City has received this award.

We commend our independent auditors, Blum Shapiro, specifically Audit Manager Santo Carta for his 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, Budget and Accounting Assistant Sharon Chaika, 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 unflinching support for maintaining the highest standards of professionalism in the management of the City of Bristol's finances.

Respectfully submitted,



Diane M. Waldron
Comptroller



Robin L. Manuele
Assistant Comptroller



Government Finance Officers Association

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

Presented to

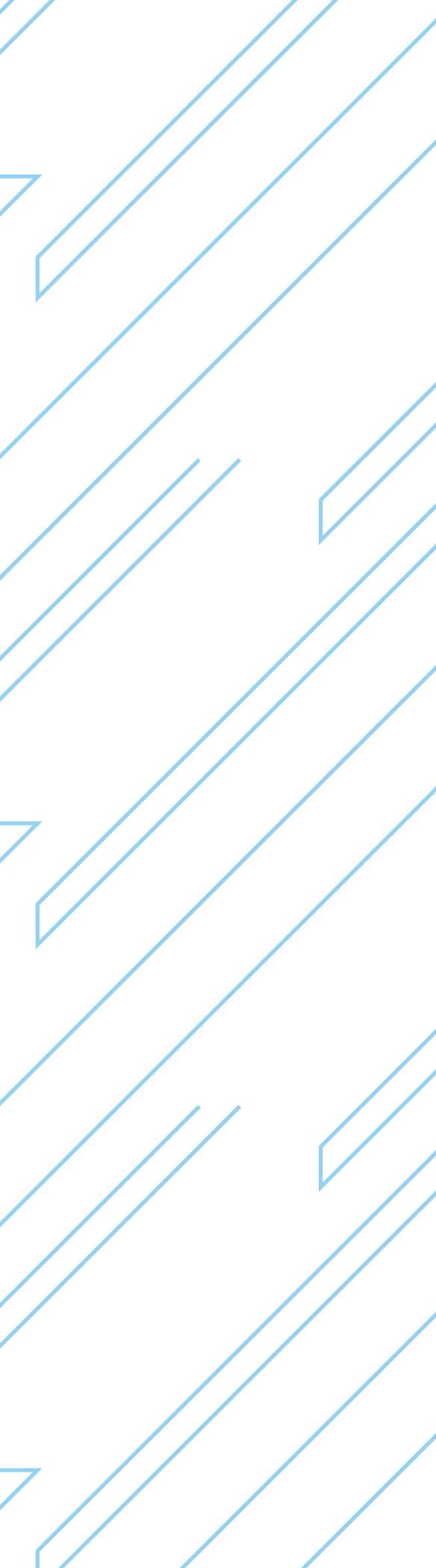
**City of Bristol
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditors' Report

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, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bristol, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle and Prior Period Adjustment

As discussed in Note 18 to the financial statements, during the fiscal year ended June 30, 2018, the City of Bristol, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the City of Bristol, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, during the fiscal year ended June 30, 2018, the City of Bristol, Connecticut, restated beginning net position of governmental activities, business-type activities and proprietary fund, in order to correct the effect of the prior year assets incorrectly stated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

The City of Bristol, Connecticut's basic financial statements for the year ended June 30, 2017 (not presented herein), were audited by other auditors whose report thereon, dated December 27, 2017, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information. The accompanying financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds as of and for the year ended June 30, 2017 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 2017 financial statements. The accompanying 2017 financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds have been subjected to the auditing procedures applied in the audit of the 2017 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 their opinion, the financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bristol, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bristol, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 28, 2018

**CITY OF BRISTOL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. 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 \$5.9 million or 1.1%. Net position of business-type activities increased by \$1.1 million, or 3.5%, and net position of governmental activities decreased by \$7.1 million or 1.4%.
- During the year, expenses exceeded revenues generated in tax and other revenues for governmental programs and business activities by \$5.9 million. This is primarily the result increases in the deferred inflows/outflows related to the City's pension assets and liabilities as well as increases in the compensated absences liability.
- In the City's business-type activities, revenues decreased approximately \$320 thousand or 4.0% and expenses decreased \$633 thousand or 8.7%. The decreases in revenues were primarily a result of reduced water sales revenues; and the decrease in expenditures is a direct result of the deferred inflows/outflows relative to pension and Other Post-Employment Benefits (OPEB) liabilities and expenses.
- Total cost of all City programs was \$267.7 million with no new programs added this year. This represents a \$11.0 million increase compared to fiscal year 2017. The increase represents, in part, recognition of the OPEB liabilities and expenses as required by implementation of GASB 75 effective with the June 30, 2018 financial statements.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28.3 million, or 14.3% of general fund budgetary expenditures and transfers out.
- The tax collection rate was 98.61% on the current levy, a slight decrease to last year's rate of 98.92%.
- The City of Bristol's total bonded indebtedness including its Enterprise fund bonds decreased \$7.9 million to \$73.8 million or 9.7% after current year annual debt service payments. The City issued \$25.4 million in general obligation refunding bonds to refinance outstanding bonds relative to the City's 2011 general obligation bond issue. The City generated savings over the life of the bonds of approximately \$1.4 million. The City also "rolled over" (reissued) two bond anticipation notes (BANs) that included \$4.0 million in taxable general obligation BANs originally issued in 2008 and \$3.4 million in tax exempt BANs originally issued in the Spring of 2017 with an additional new borrowing amount of \$8.4 million for a total of tax exempt BANs of \$11.8 million.

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.

The statement of net position and the statement of activities divides 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 established 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 grants, and other funds restricted for specific purposes. 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 included with 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. 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 provides more detail and additional information, such as cash flows, for the 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-employment 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 (as restated) decreased from a year ago from \$542 million to \$537 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 POSITIONS

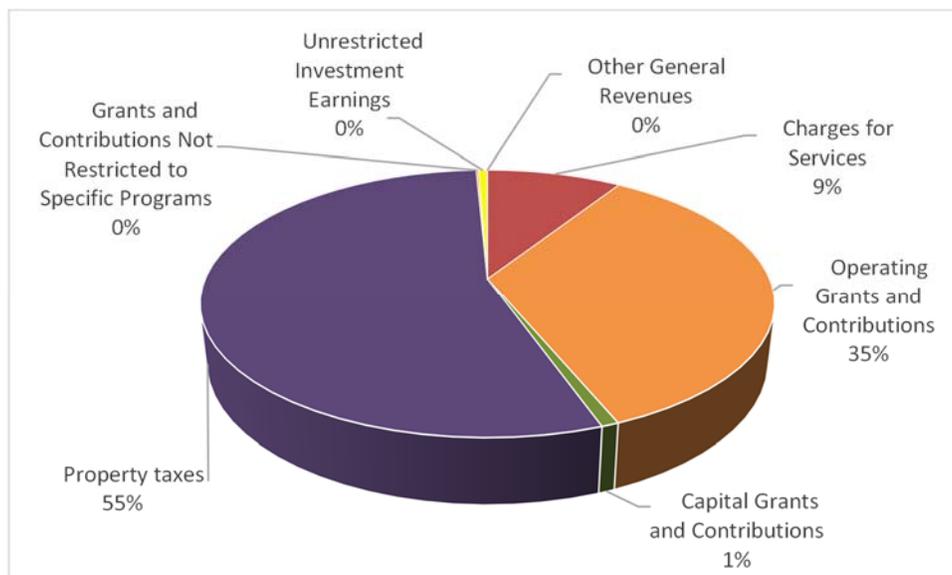
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017 (as Restated)	2018	2017 (as Restated)	2018	2017 (as Restated)
Current and other assets	\$ 319,453,574	\$ 314,606,686	\$ 18,126,216	\$ 16,844,055	\$ 337,579,790	\$ 331,450,741
Capital assets, net of accumulated depreciation	359,286,400	353,338,252	23,118,622	23,100,100	382,405,022	376,438,352
Total assets	<u>678,739,974</u>	<u>667,944,938</u>	<u>41,244,838</u>	<u>39,944,155</u>	<u>719,984,812</u>	<u>707,889,093</u>
Deferred Outflows of Resources	23,458,382	44,834,074	327,624	86,237	23,786,006	44,920,311
Long-term liabilities outstanding	151,469,734	164,609,326	6,532,668	6,808,725	158,002,402	171,418,051
Other liabilities	38,989,876	32,299,282	705,999	727,264	39,695,875	33,026,546
Total liabilities	<u>190,459,610</u>	<u>196,908,608</u>	<u>7,238,667</u>	<u>7,535,989</u>	<u>197,698,277</u>	<u>204,444,597</u>
Deferred Inflows of Resources:	8,846,202	5,915,333	691,488	-	9,537,690	5,915,333
Net Position:						
Net investment in capital assets	266,282,611	257,933,889	20,577,181	20,317,443	286,859,792	278,251,332
Restricted	202,388,179	198,936,006	9,278,021	8,009,897	211,666,200	206,945,903
Unrestricted	<u>34,221,754</u>	<u>53,085,176</u>	<u>3,787,105</u>	<u>4,167,063</u>	<u>38,008,859</u>	<u>57,252,239</u>
Total Net Position	<u>\$ 502,892,544</u>	<u>\$ 509,955,071</u>	<u>\$ 33,642,307</u>	<u>\$ 32,494,403</u>	<u>\$ 536,534,851</u>	<u>\$ 542,449,474</u>

Net position of the City’s governmental activities decreased by 1.4% or \$7.1 million compared to a prior increase of \$1.3 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 \$34.2 million at the end of this year. The net position of business-type activities increased by \$1.1 million in 2018 compared to 2017, as restated.

TABLE 2
SUMMARY STATEMENTS OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 15,783,942	\$ 15,774,805	\$ 7,500,510	\$ 7,820,045	\$ 23,284,452	\$ 23,594,850
Operating grants and contributions	93,600,969	84,993,707			93,600,969	84,993,707
Capital grants and contributions	2,136,579	4,213,374			2,136,579	4,213,374
General revenues:						
Property taxes	140,813,458	142,203,594			140,813,458	142,203,594
Grants and contributions not restricted to specific programs	422,149	565,492			422,149	565,492
Unrestricted investment earnings	1,125,319	583,170	306,518	527,135	1,431,837	1,110,305
Other general revenues	78,465	1,324,905			78,465	1,324,905
Total revenues	<u>253,960,881</u>	<u>249,659,047</u>	<u>7,807,028</u>	<u>8,347,180</u>	<u>261,767,909</u>	<u>258,006,227</u>
Program expenses:						
General government	12,194,227	21,518,842			12,194,227	21,518,842
Public safety	37,443,005	31,225,680			37,443,005	31,225,680
Public works	28,720,300	27,755,308			28,720,300	27,755,308
Health and welfare	8,566,460	8,472,561			8,566,460	8,472,561
Libraries	3,250,406	3,111,382			3,250,406	3,111,382
Parks and recreation	3,617,439	3,526,465			3,617,439	3,526,465
Education	164,662,832	152,095,342			164,662,832	152,095,342
Interest on long-term debt	2,568,739	1,714,198			2,568,739	1,714,198
Water			6,659,124	7,292,518	6,659,124	7,292,518
Total program expenses	<u>261,023,408</u>	<u>249,419,778</u>	<u>6,659,124</u>	<u>7,292,518</u>	<u>267,682,532</u>	<u>256,712,296</u>
Change in net position	(7,062,527)	239,269	1,147,904	1,054,662	(5,914,623)	1,293,931
Net position - beginning	509,955,071	530,100,045	32,494,403	27,029,021		
Restatement		(20,384,243)		4,410,720		
Net position - ending	<u>\$ 502,892,544</u>	<u>\$ 509,955,071</u>	<u>\$ 33,642,307</u>	<u>\$ 32,494,403</u>	<u>\$ (5,914,623)</u>	<u>\$ 1,293,931</u>

The City's total revenues were \$261.8 million. The total cost of all programs and services was \$267.7 million. The 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 \$7.1 million. The prior year increase in net position was \$239 thousand. Key elements of this decrease with offsetting increases are as follows:

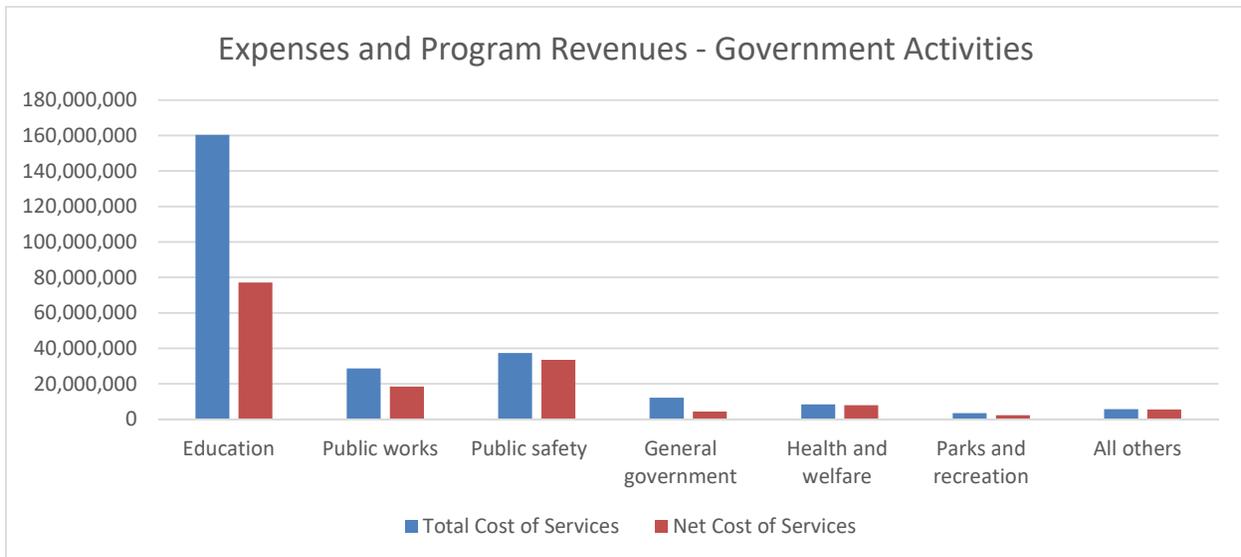
- Property tax collections decreased approximately \$1.4 million compared to the prior year. The decrease is due to two factors:
 - The city did not have a tax increase for the July 1, 2017 tax bills. The mill rate remained the same as in the prior year at 36.03 for Real Estate and Personal Property; and,
 - At the time the budget was adopted in early June 2017 there was a statutory cap on the motor vehicle mill rate of 32 mills. At that time the State of Connecticut had not yet adopted a State budget and State revenues were relatively unknown. The City, per past practice, adopted the budget under the current statutory legislation using the mill rate cap of 32 mills. Had the 36.03 mill rate been used for the Motor Vehicle bills it would have generated approximately an additional \$1.5 million in tax revenue.
 - As an offset to this decrease the City did generate additional revenue with the Supplemental Motor Vehicle bills that were issued for January 1, 2018. The City had anticipated approximately \$1 million and the actual collections were approximately \$1.6 million.
- Operating grants and contributions for governmental activities increased by \$8.6 million primarily due to increased grants received for Educational Services.
- Capital grants and contributions decreased \$2.1 million as a result of decreased expenditures and grant revenues associated with the Clean Water Fund sewer upgrade project the City completed during the year.
- Charges for services remained steady.
- Investment earnings increased \$542 thousand. Interest rates still remain quite low but have increased slightly throughout the year; however, the City has had success with its investments to maximize earnings while remaining within the parameters of its cash management investment policy as well as having increased cash on hand for operations since it funded the capital funds through authorized long term borrowing.

- Governmental activities expenses increased \$11.6 million primarily as a result of the increase in deferred inflows/outflows for the pension and other post-employment benefits as well as an increase in the compensated absences liability.

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
(in thousands)

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Education	\$ 164,662,832	\$ 152,095,342	\$ 77,094,392	\$ 73,690,669
Public works	28,720,300	27,755,308	18,511,027	11,942,261
Public safety	37,443,005	31,225,680	33,527,477	28,964,453
General government	12,194,227	21,518,842	4,375,015	14,612,803
Health and welfare	8,566,460	8,472,561	7,912,485	8,153,900
Parks and recreation	3,617,439	3,526,465	2,417,419	2,300,798
All others	5,819,145	4,825,580	5,664,103	4,773,008
Total	\$ 261,023,408	\$ 249,419,778	\$ 149,501,918	\$ 144,437,892



Business-Type Activities

Revenues of the City's business-type activities (see Table 2) were \$7.8 million in 2018 compared to \$8.3 million in 2017 and net expenses decreased by 8.7%. The factors influencing these results included:

- Revenues: Decreases were experienced in charges for services due to a reduction in sales as a result of it being a wet year.
- Expenses: The decrease is primarily a result of the deferred inflows/outflows relative to this fund's share of pension and OPEB assets/liabilities and expenses, approximately \$781 thousand.

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 \$49.3 million.

Approximately 19% of this total amount (\$9.5 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 \$28.3 million, while total fund balance reached \$37.8 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 12.7% of total general fund expenditures including the State Teacher's Retirement benefit payments, while total fund balance represents 17% of that same amount. This compares to 12.7% and 17.8, respectively, to the prior year.

The Capital Projects Fund has a deficit fund balance of \$9.5 million. At June 30, 2018 this fund is pending the issuance of bonds in fiscal year 2018-2019.

The Debt Service Fund has a total fund balance of \$1.7 million, 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 totaled \$3.8 million and the Health Benefits and Workers' Compensation funds amounted to \$15.5 million.

This Health Benefits and Workers' Compensation fund experienced a decrease in Charges for Services of \$2.4 million. This category accounts for the City's contributions as well as the employee contribution for health insurance. At the time of budget adoption the City opted to use some of the fund's reserves to offset budgetary increases in health insurance claims and costs. As a result transfers from the City and Board of Education were slightly lower than the prior year. There was an increase in claims compared to the prior year primarily a result of an increase in large claims. Overall this fund experienced approximately a \$1 million decrease in net position.

Other factors concerning the finances of the Water Department have already been addressed in the discussion of 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 98.61. Current tax collections increased slightly over the prior year as there was no increase in the mill rate as it remained consistent at 36.03.
- Building permit collections were \$544 thousand over original budgeted estimates. This revenue source increase was due to an increase in 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. For this year state grants were budgeted with available known estimates from the State at the time. Fiscal year 2017-2018 was a very difficult budget year for the State of Connecticut. The City adopted its budget in June without an adopted state budget. The State budget was finally adopted in November and the result was a decrease of approximately \$2.5 million in anticipated grants the City had budgeted for. Specifically the City budgeted \$1.1 million in a motor vehicle tax grant that was designed to make up the difference in the mill rate cap of 32 and the City's adopted mill rate of approximately 36.03. Final budget legislation modified the cap to 45 mills essentially eliminating this expected grant to the City. In addition, the City anticipated a Revenue Sharing grant of \$1.8 million which was also eliminated. Another grant reduction was in the City's Education Cost Sharing for Education. While the adopted State budget essentially left this grant intact there were two factors after the fact that affected this grant. First was a holdback the Governor initiated of \$250,000 and the second was a negative adjustment to prior year Excess Cost expenditures that affected the ECS grant by approximately \$500,000. All in, with other unexpected adjustments to grants, positive and negative, the City experienced a deficit in Intergovernmental Revenues of approximately \$3.2 million. Budgeted amounts are estimated based on the best information available at the time of budget adoption.

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, at year end over expenditures are covered by either transfers within the department line items or transfers from other departments excess 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, private duty contracts, of which the cost is paid for by the third party contractor, and contractual replacement for sick or injured personnel within divisions.
- A \$29.3 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 – 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 costs increased due to more snow and ice storm events over the prior year.

- Public Works – Street Lighting costs were more than budgeted primarily due to the City anticipating savings from installing new energy efficient street lights. The program was started later than anticipated and as a result there was a delay in realizing the savings.
- Retirement Benefits – The City contribution to the Retirement Fund during the year was \$2.6 million. Per the actuarial valuation the required contribution for the 2018 fiscal year was primarily a result of changes in actuarial assumptions.
- Other Post-Employment Benefits – the city increased its reserves for this benefit line item for future use.
- Education – Education required an additional appropriation of \$423 thousand due to increased Special Education costs not eligible for State reimbursement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the City had \$359.3 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 \$5.9 million, or 1.7%, over last year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017 (as Restated)	2018	2017	2018	2017 (as Restated)
	Land	\$ 18,651,113	\$ 18,643,403	\$ 2,752,140	\$ 2,752,140	\$ 21,403,253
Construction in progress	5,954,233	31,572,679	1,134,564	1,105,211	7,088,797	32,677,890
Buildings	185,034,206	165,130,828	16,770,997	16,829,876	201,805,203	181,960,704
Improvement other than buildings	3,606,433	4,926,531			3,606,433	4,926,531
Machinery and equipment	31,131,634	19,704,769	2,460,921	2,412,873	33,592,555	22,117,642
Infrastructure	114,908,781	113,360,042			114,908,781	113,360,042
Total	\$ 359,286,400	\$ 353,338,252	\$ 23,118,622	\$ 23,100,100	\$ 382,405,022	\$ 376,438,352

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

Construction in progress

- Governmental Activities: A significant number of major projects were completed during the fiscal year, decreasing the Construction in progress comparatively to the prior year. These projects included: completion of the phosphorus removal facility at the Water Pollution Control plant; Muzzy Field improvements; synthetic fields at the two high schools; radio system replacement; and roof replacement at Hubbell and Chippens Hill schools.

Buildings

- Governmental Activities: Approximately 73% of the increase in Buildings is due to the completion of the Phosphorus Removal facility at the WPC plant. The other major items include improvements to the public works facility and the recycling building.

Improvements other than buildings

- Governmental Activities: Increase is primarily improvements to tennis courts at the two high schools.

Machinery and Equipment

- Governmental Activities: Increase is primarily the addition of the radio communication tower from CIP of approximately \$6.6 million; purchase of a fire truck of approximately \$0.6 million, and the Street Light LED Upgrade of approximately \$1.8 million. In addition there were purchases of new vehicles and various equipment in the Police, Fire, Parks and Public Works Departments.

The City's fiscal year 2017-2018 capital budget called for it to spend \$6.78 million for capital projects.

Fiscal Year 2018 Capital Budget	
<u>Department</u>	
Board of Education	\$192,765
Fire Department	572,000
City Clerk	15,000
Parks Department	200,000
Public Works	5,400,000
Public Works – WPC	400,000
Total All Departments	<u>\$6,779,765</u>
<u>Funding</u>	
Sale of Bonds	\$3,602,000
General Fund Cash	392,765
WPC CNR	400,000
Other Funds	<u>2,385,000</u>
Total All Funding	<u>\$6,779,765</u>

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 Bristol Central High School
- Centre Square Infrastructure project to aid in the further development of Centre Square property with the construction of an interior road with traffic signal, bus stop and streetscape improvements
- Parks Department to replace bleachers at Muzzy Field
- Replacement of a fire engine
- Former Memorial Boulevard School restoration 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, 2018, the City had \$64.5 million in total bonded indebtedness versus \$73.3 million last year – a decrease of 12% – as shown in Table 5. The increase is primarily due principal debt payments during the year. The City did not issue any new long term debt during the fiscal year, however, a refunding of outstanding principal balances on the 2011 bond issue was completed in November 2017.

**TABLE 5
OUTSTANDING DEBT, AT YEAR-END**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds (Backed by the City)	\$ 62,093,000	\$ 70,580,000	\$ 2,357,678	\$ 2,722,196	\$ 64,450,678	\$ 73,302,196

The City also “rolled over” or reissued its \$4.0 million in taxable general obligation notes. The City paid down \$3.41 million of the original 2008 issue of \$7.41 million. The City also rolled over \$3.4 million in bond anticipation notes as well as adding \$8.4 million to finance various capital projects in May 2018.

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. In October 2016 Fitch upgraded the rating to AAA.

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 the 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 2018 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 decreased to 4.8% versus 5.4% a year ago. This compares with the State’s unemployment rate of 4.4% (not seasonally adjusted) and the national rate of 3.9%. (Source: CT Department of Labor, 2018 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 2018-19. Amounts appropriated in the 2018-2019 General Fund budget are \$194 million, an increase of \$2 million over the previous year’s budget of approximately \$191 million. The property tax rate increased from 36.03 to 36.88 or 2.4%.

The City will used these budgetary increases to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs.

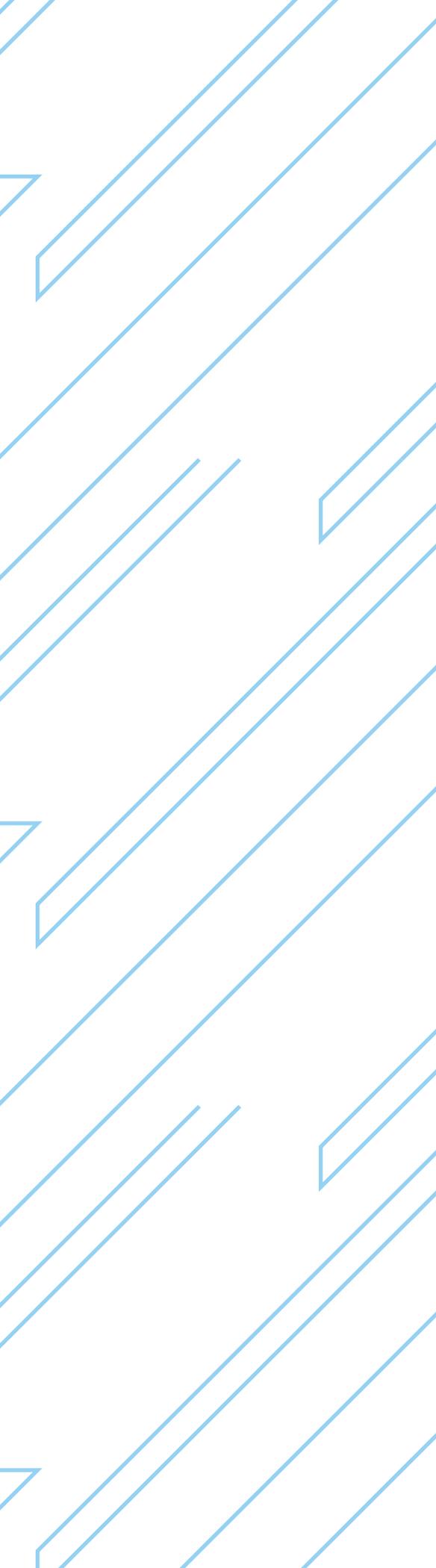
If these estimates are realized, the City’s budgetary General Fund balance is expected to remain constant at June 30, 2019, however surpluses in various revenue accounts are anticipated to be realized which will increase the City’s undesignated fund balance. Residential Building Permits, Conveyance Tax fees, interest income and delinquent tax collections continue to exceed anticipated projections which will continue to be conservatively estimated for budget purposes to reflect current economic conditions.

The City of Bristol used approximately \$1 million of its total fund balance; however, was able to increase unassigned fund balance by approximately \$0.5 million due to changes in amounts committed and assigned for various purposes.

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 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.



Basic Financial Statements

**CITY OF BRISTOL, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bristol- Burlington Health District
Assets:				
Cash and cash equivalents	\$ 96,315,837	\$ 1,850,983	\$ 98,166,820	\$ 2,727,742
Investments	11,207,106	5,317,102	16,524,208	
Receivables, net	10,618,967	1,414,752	12,033,719	13,278
Inventory	48,771	6,961	55,732	
Other assets	5,457	258,397	263,854	
Net pension asset	201,257,436	9,278,021	210,535,457	
Capital assets:				
Assets not being depreciated	24,605,346	3,886,704	28,492,050	
Assets being depreciated, net	334,681,054	19,231,918	353,912,972	52,334
Total assets	<u>678,739,974</u>	<u>41,244,838</u>	<u>719,984,812</u>	<u>2,793,354</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	1,955,873	92,966	2,048,839	
Deferred outflows related to pension	20,826,458	209,399	21,035,857	
Deferred outflows related to OPEB	676,051	25,259	701,310	
Total deferred outflows of resources	<u>23,458,382</u>	<u>327,624</u>	<u>23,786,006</u>	<u>-</u>
Liabilities:				
Accounts and other payables	10,278,894	539,096	10,817,990	47,796
Accrued liabilities	11,440,357	95,938	11,536,295	15,184
Accrued interest payable	831,608		831,608	
Bond anticipation notes payable	15,800,000		15,800,000	
Other current liabilities		70,965	70,965	
Unearned revenue	639,017		639,017	
Noncurrent liabilities:				
Due within one year	13,527,547	344,097	13,871,644	59,087
Due in more than one year	137,942,187	6,188,571	144,130,758	16,796
Total liabilities	<u>190,459,610</u>	<u>7,238,667</u>	<u>197,698,277</u>	<u>138,863</u>
Deferred Inflows of Resources:				
Deferred inflows related to pension	<u>8,846,202</u>	<u>691,488</u>	<u>9,537,690</u>	
Net Position:				
Net investment in capital assets	266,282,611	20,577,181	286,859,792	52,334
Restricted for:				
Pensions	201,257,436	9,278,021	210,535,457	
Trust purposes:				
Expendable	148,105		148,105	
Nonexpendable	982,638		982,638	
Unrestricted	<u>34,221,754</u>	<u>3,787,105</u>	<u>38,008,859</u>	<u>2,602,157</u>
Total Net Position	<u>\$ 502,892,544</u>	<u>\$ 33,642,307</u>	<u>\$ 536,534,851</u>	<u>\$ 2,654,491</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Bristol-Burlington Health District
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 12,194,227	\$ 2,328,207	\$ 5,367,328	\$ 123,677	\$ (4,375,015)	\$ (4,375,015)	\$ (4,375,015)	
Public safety	37,443,005	3,463,788	451,740	-	(33,527,477)	(33,527,477)	(33,527,477)	
Public works	28,720,300	7,983,155	1,090,680	1,135,438	(18,511,027)	(18,511,027)	(18,511,027)	
Health and welfare	8,566,460	252,184	401,791	-	(7,912,485)	(7,912,485)	(7,912,485)	
Libraries	3,250,406	34,440	120,602	-	(3,095,364)	(3,095,364)	(3,095,364)	
Parks and recreation	3,617,439	601,313	598,707	-	(2,417,419)	(2,417,419)	(2,417,419)	
Education	164,662,832	1,120,855	85,570,121	877,464	(77,094,392)	(77,094,392)	(77,094,392)	
Debt service:								
Interest and fiscal charges	2,568,739				(2,568,739)	(2,568,739)	(2,568,739)	
Total governmental activities	261,023,408	15,783,942	93,600,969	2,136,579	(149,501,918)	(149,501,918)	(149,501,918)	-
Business-type activities:								
Water	6,659,124	7,500,510				841,386	841,386	
Total Primary Government	\$ 267,682,532	\$ 23,284,452	\$ 93,600,969	\$ 2,136,579	(149,501,918)	841,386	(148,660,532)	-
Component Unit:								
Bristol-Burlington Health District	\$ 3,389,223	\$ 154,718	\$ 3,391,708	\$ -				157,203
General revenues:								
Property taxes					140,813,458		140,813,458	
Grants and contributions not restricted to specific programs					422,149		422,149	
Unrestricted investment earnings					1,125,319	306,518	1,431,837	6,435
Miscellaneous					78,465		78,465	
Total general revenues					142,439,391	306,518	142,745,909	6,435
Change in net position					(7,062,527)	1,147,904	(5,914,623)	163,638
Net Position at Beginning of Year, as Restated					509,955,071	32,494,403	542,449,474	2,490,853
Net Position at End of Year					\$ 502,892,544	\$ 33,642,307	\$ 536,534,851	\$ 2,654,491

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 42,612,874	\$ 1,735,735	\$ 3,883,564	\$ 22,279,139	\$ 70,511,312
Investments	10,272,802			934,304	11,207,106
Receivables, net	5,812,281		3,285,191	1,472,009	10,569,481
Due from other funds	632,868			9,101	641,969
Other assets	5,457				5,457
Inventories				48,771	48,771
Total Assets	<u>\$ 59,336,282</u>	<u>\$ 1,735,735</u>	<u>\$ 7,168,755</u>	<u>\$ 24,743,324</u>	<u>\$ 92,984,096</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payables	\$ 6,826,875		\$ 873,605	\$ 1,601,503	\$ 9,301,983
Accrued liabilities	10,306,368			1,133,989	11,440,357
Due to other funds	9,101			1,915,042	1,924,143
Due to other governments				4,348	4,348
Bond anticipation notes payable			15,800,000		15,800,000
Unearned revenue	327,649			272,683	600,332
Total liabilities	<u>17,469,993</u>	<u>-</u>	<u>16,673,605</u>	<u>4,927,565</u>	<u>39,071,163</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	4,065,801				4,065,801
Unavailable revenue - sewer use				28,421	28,421
Unavailable revenue - sewer assessments				474,482	474,482
Total deferred inflows of resources	<u>4,065,801</u>	<u>-</u>	<u>-</u>	<u>502,903</u>	<u>4,568,704</u>
Fund balances:					
Nonspendable	5,457			1,031,409	1,036,866
Restricted		1,735,735		4,871,182	6,606,917
Committed	3,085,523		9,370,382	12,935,317	25,391,222
Assigned	6,367,646			475,328	6,842,974
Unassigned	28,341,862		(18,875,232)	(380)	9,466,250
Total fund balances	<u>37,800,488</u>	<u>1,735,735</u>	<u>(9,504,850)</u>	<u>19,312,856</u>	<u>49,344,229</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,336,282</u>	<u>\$ 1,735,735</u>	<u>\$ 7,168,755</u>	<u>\$ 24,743,324</u>	<u>\$ 92,984,096</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

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

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

Fund balances - total governmental funds	\$	49,344,229
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	699,471,964	
Less accumulated depreciation		<u>(340,185,564)</u>	
Net capital assets			359,286,400

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

Net pension asset	201,257,436
Property tax receivables greater than 60 days	2,813,968
Interest receivable on property taxes	1,251,833
Sewer assessments receivable	465,633
Sewer assessments interest receivable	8,849
Sewer usage receivable	28,421
Deferred outflows related to pension	20,826,458
Deferred outflows related to OPEB	676,051

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.

15,530,156

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 serial notes payable	(71,469,432)
Unamortized premium on general obligation bonds	(6,410,408)
Net OPEB liability	(52,566,838)
Interest payable on bonds and notes	(831,608)
Compensated absences	(9,018,661)
Landfill post closure care	(1,409,614)
Deferred charges on refunding	1,955,873
Deferred inflows related to pension	<u>(8,846,202)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>502,892,544</u></u>
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The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and assessments	\$ 140,098,541	\$	\$ 25,732	\$ 1,730	\$ 140,126,003
Interest and lien fees on delinquent taxes and assessments	897,504				897,504
Licenses, permit and fees	1,984,246			1,216,249	3,200,495
Intergovernmental	78,647,592		3,936,904	13,555,462	96,139,958
Charges for services	4,047,485			8,628,070	12,675,555
Income on investments	938,635	2,145	18,767	104,838	1,064,385
Miscellaneous	378,426		-	1,178,818	1,557,244
Total revenues	<u>226,992,429</u>	<u>2,145</u>	<u>3,981,403</u>	<u>24,685,167</u>	<u>255,661,144</u>
Expenditures:					
Current:					
General government	6,219,483			1,775,711	7,995,194
Public safety	25,305,953			1,121,433	26,427,386
Public works	15,721,730			7,401,295	23,123,025
Health and welfare	6,316,850			1,263,616	7,580,466
Libraries	2,189,717			39,400	2,229,117
Parks and recreation	2,511,732			199,445	2,711,177
Education	125,250,458			13,867,017	139,117,475
Citywide:					
Employee benefits and pensions	4,468,966				4,468,966
Insurance	27,489,483				27,489,483
Miscellaneous	514,065				514,065
Capital outlay			15,828,191		15,828,191
Debt service:					
Principal retirement		6,340,000	331,856		6,671,856
Interest and fiscal charges	174,108	2,334,063	315,555		2,823,726
Total expenditures	<u>216,162,545</u>	<u>8,674,063</u>	<u>16,475,602</u>	<u>25,667,917</u>	<u>266,980,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,829,884</u>	<u>(8,671,918)</u>	<u>(12,494,199)</u>	<u>(982,750)</u>	<u>(11,318,983)</u>
Other Financing Sources (Uses):					
Transfers in	18,309	9,463,677	2,278,033	2,677,975	14,437,994
Transfers out	(11,995,230)		(628,712)	(1,814,052)	(14,437,994)
General obligation bonds issued			1,284,772		1,284,772
Refunding bonds issued	24,932,000				24,932,000
Premium on bonds	3,455,440	25,199			3,480,639
Payment to refunded bond escrow agent	(28,213,332)				(28,213,332)
Total other financing sources (uses)	<u>(11,802,813)</u>	<u>9,488,876</u>	<u>2,934,093</u>	<u>863,923</u>	<u>1,484,079</u>
Net Change in Fund Balance	(972,929)	816,958	(9,560,106)	(118,827)	(9,834,904)
Fund Balance at Beginning of Year	<u>38,773,417</u>	<u>918,777</u>	<u>55,256</u>	<u>19,431,683</u>	<u>59,179,133</u>
Fund Balance at End of Year	<u>\$ 37,800,488</u>	<u>\$ 1,735,735</u>	<u>\$ (9,504,850)</u>	<u>\$ 19,312,856</u>	<u>\$ 49,344,229</u>

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (9,834,904)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	21,298,766
Depreciation expense	(14,865,941)

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

	(484,677)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(1,087,725)
Property tax receivable - accrual basis change	(321,762)
Property tax interest and lien revenue - accrual basis change	111,713
Sewer assessment receivable - accrual basis change	(11,387)
Sewer assessment interest receivable - accrual change	(75,729)
Sewer usage receivable - accrual basis change	(4,992)
Net pension asset	11,549,996
Deferred outflows related to pension	(22,927,770)
Deferred outflows related to OPEB	676,051

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, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and amortized in the statement of activities. This amount is the net effect of these discounts and similar items when debt is first issued, whereas these amounts are deferred differences in the treatment of long-term debt and related items.

Bonds issued	(1,284,772)
Refunding bonds issued	(24,932,000)
Payments to bond refunding agent	28,213,332
Bond principal payments	5,536,971
Bond premiums	(3,455,440)

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:

Net OPEB liability	(850,598)
Net pension liability	8,932,185
Compensated absences	(900,282)
Amortization of bond premiums	611,783
Landfill post closure care	30,595
Accrued interest	(9,775)
Amortization of deferred charge on refunding	876,027
Deferred inflows related to pension	(2,930,869)

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

	<u>(921,323)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (7,062,527)</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,850,983	\$ 25,804,525
Investments	5,317,102	
Receivables, net	1,414,752	49,486
Due from other funds		1,282,174
Inventories	6,961	
Other assets	258,397	
Total current assets	<u>8,848,195</u>	<u>27,136,185</u>
Noncurrent assets:		
Net pension asset	9,278,021	
Capital assets:		
Assets not being depreciated	3,886,704	
Assets being depreciated, net	19,231,918	
Total noncurrent assets	<u>32,396,643</u>	<u>-</u>
Total assets	<u>41,244,838</u>	<u>27,136,185</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	92,966	
Deferred outflows related to pension	209,399	
Deferred outflows related to OPEB	25,259	
Total deferred outflows of resources	<u>327,624</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts and other payables	539,096	972,563
Payroll liabilities	95,938	
Customer deposits	70,965	
Unearned revenues		38,685
Compensated absences - current	48,841	
Bonds payable - current	258,000	
Notes payable - current	37,256	
Unpaid claims - current		5,318,585
Total current liabilities	<u>1,050,096</u>	<u>6,329,833</u>
Noncurrent liabilities:		
Compensated absences	313,407	
Bonds payable	1,587,762	
Notes payable	658,423	
Net OPEB liability	3,628,979	
Unpaid claims - noncurrent		5,276,196
Total noncurrent liabilities	<u>6,188,571</u>	<u>5,276,196</u>
Total liabilities	<u>7,238,667</u>	<u>11,606,029</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	<u>691,488</u>	
Net Position:		
Net investment in capital assets	20,577,181	
Restricted for pensions	9,278,021	
Unrestricted	<u>3,787,105</u>	<u>15,530,156</u>
Total Net Position	<u>\$ 33,642,307</u>	<u>\$ 15,530,156</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	\$ 7,078,318	\$ 37,060,933
Contributions		81,734
Miscellaneous	422,192	800,913
Total operating revenues	<u>7,500,510</u>	<u>37,943,580</u>
Operating expenses:		
Source of supply	241,077	
Pumping	254,304	
Purification	947,127	
Transmission and distribution	1,144,342	
Customer accounts, administrative and general	2,430,106	
Depreciation	1,061,720	
Taxes other than income taxes	506,148	
Insurance claims, premiums and fees		38,925,837
Total operating expenses	<u>6,584,824</u>	<u>38,925,837</u>
Operating income (loss)	<u>915,686</u>	<u>(982,257)</u>
Nonoperating revenues (expenses):		
Income on investments	306,518	60,934
Interest expense	(86,964)	
Amortization of debt discount and expense	16,177	
Bond Issuance Costs	(3,513)	
Total nonoperating revenues	<u>232,218</u>	<u>60,934</u>
Change in Net Position	1,147,904	(921,323)
Net Position at Beginning of Year	<u>32,494,403</u>	<u>16,451,479</u>
Net Position at End of Year	<u>\$ 33,642,307</u>	<u>\$ 15,530,156</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from charges for services and contributions	\$ 7,414,494	\$ 37,073,493
Cash received from other operating revenue		838,543
Cash paid to employees	(3,042,180)	
Cash paid to suppliers	(3,296,200)	
Cash payment for claims paid		(39,678,500)
Deposits paid back to customers	27,801	
Cash paid for interfund services used		(335,674)
Net cash provided by (used in) operating activities	<u>1,103,915</u>	<u>(2,102,138)</u>
Cash Flows from Capital Financing Activities:		
Purchase of capital assets/utility plant	(1,112,685)	
Issuance of bonds and notes	22,037	
Principal payments bonds/notes	(321,518)	
Interest payments and issuance costs	(76,558)	
Net cash used in capital and related financing activities	<u>(1,488,724)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	14,063	60,934
Net Increase in Cash and Cash Equivalents	(370,746)	(2,041,204)
Cash and Cash Equivalents at Beginning of Year	<u>2,221,729</u>	<u>27,845,729</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,850,983</u>	<u>\$ 25,804,525</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 915,686	\$ (982,257)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,061,720	
(Increase) decrease in accounts receivable	(86,016)	12,560
(Increase) decrease in inventory	(5,901)	
(Increase) decrease in other assets	(411)	
(Increase) decrease in net pension asset	(1,268,124)	
(Increase) decrease in deferred outflows	(234,658)	
(Increase) decrease in due from other funds		(335,674)
Increase (decrease) in accounts payable	(107,984)	485,155
Increase (decrease) in unearned revenues		(44,104)
Increase (decrease) in accrued liabilities	58,918	
Increase (decrease) in accrued compensated absences	21,594	
Increase (decrease) in unpaid claims		(1,237,818)
Increase (decrease) in customer deposits	27,801	
Increase (decrease) in net OPEB liability	29,802	
Increase (decrease) in deferred inflows	691,488	
Total adjustments	<u>188,229</u>	<u>(1,119,881)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,103,915</u>	<u>\$ (2,102,138)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Pension and OPEB Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 11,915,121	\$ 822,072
Investments, at fair value:		
Certificates of deposit		76,665
U.S. government securities	3,603,716	
U.S. government agencies	6,973,247	
Corporate bonds	18,946,861	
Mutual funds	46,628,811	
Common stock	291,475,393	
Alternative Investments	277,609,151	
Total investments	<u>645,237,179</u>	<u>76,665</u>
Total assets	<u>657,152,300</u>	<u>898,737</u>
Liabilities:		
Accounts payable	54,357	144
Due to senior citizens		122,046
Due to student groups		776,547
Total liabilities	<u>54,357</u>	<u>898,737</u>
Net Position:		
Held in Trust for Pension Benefits	647,171,556	
Held in Trust for OPEB Benefits	<u>9,926,387</u>	
Total Net Position	<u>\$ 657,097,943</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 PENSION TRUST FUNDS AND OPEB TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Pension and OPEB Trust Funds
Additions:	
Contributions:	
Employer	\$ 8,418,466
Plan members	2,838,014
Total contributions	<u>11,256,480</u>
Investment income:	
Net appreciation in fair value of investments	55,177,262
Interest and dividends	7,303,914
Total	<u>62,481,176</u>
Less investment expense	<u>(4,257,115)</u>
Total investment income	<u>58,224,061</u>
Total additions	<u>69,480,541</u>
Deductions:	
Benefits	28,683,914
Administration	190,448
Total deductions	<u>28,874,362</u>
Net Change	40,606,179
Net Position at Beginning of Year	<u>616,491,764</u>
Net Position at End of Year	<u>\$ 657,097,943</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1911. Its legal authority is derived from Chapter Ninety-nine (99) 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.

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 of Bristol, the District is presented discretely as it is fiscally dependent upon the City. The City contributes almost eighty percent (86%) 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 of Bristol, 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

Joint Venture

The City is a participant with fourteen (14) other cities and towns in a joint venture, the Bristol Resource Recovery Facility (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of Contracting Municipalities in dealing with the trash-to-energy plant built by Ogden Martin Systems of Bristol, Inc., now known as Covanta Bristol, Inc. (Covanta) in Bristol, Connecticut. The governing board consists of City officials appointed by each of the participating municipalities and assumes all the management decisions. Fund balance for fiscal year ended June 30, 2018 as reflected in BRRFOC's financial statements is \$1.4 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 27 W. Main Street, New Britain, Connecticut 06051.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from a certain legally separate component unit 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate 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.

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

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

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

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- 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.

Additionally, the City reports the following fund types:

- The *Internal Service Fund* accounts for the risk management activities of the City.
- The *Pension and OPEB Trust Funds* account for the activities of the City Pension and Other Postemployment Benefits (OPEB) Plans, which accumulate resources for pension and OPEB 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.

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 and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

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

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

Investments for the City, as well as for its component units, are reported at fair value.

E. Receivables and Payables

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

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 assessed values 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.

Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of \$408,000. 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.

F. Inventories and Prepaid Items

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

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

G. 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

H. 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated acquisition 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>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements other than buildings	20
Machinery and equipment	3-20
Infrastructure	10-65

I. 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 and OPEB in the government-wide statement of net position and proprietary funds 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 and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 pension in the government-wide statement of net position and proprietary funds 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 several sources: property taxes, special assessments and sewer use. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is valued 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.

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.

K. 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. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

L. Net OPEB Liability

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

M. Fund Equity

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

- *Net Investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. 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* - Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - This component consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

- *Nonspendable Fund Balance* - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).
- *Restricted Fund Balance* - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of other governments.
- *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.
- *Unassigned Fund Balance* - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

N. Accounting Estimates

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

O. Reclassifications

Certain items related to the prior year have been reclassified to conform to the current year's financial statement presentation. The reclassifications have no effect on previously reported results.

P. Adoption of New Accounting Pronouncements

For the year ended June 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and GASB Statement No. 85, *Omnibus 2017*.

GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. As a result of implementation, the City restated beginning net position of its governmental activities, business type activities and proprietary funds as detailed in Note 18.

GASB Statement 85 - *Omnibus 2017*. The objective of this Standard is to address practice issues that have been identified during implementation and application of certain GASB Statements. Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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 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. Revisions in excess of \$5,000 require Board of Finance and City Council approval. All budget revisions must be approved. Additional appropriations in the amount of approximately \$10,582,000 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, the City has reported on-behalf payments made by the State of Connecticut into the teachers' retirement system for Pension and OPEB Plans 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.

B. Fund Deficit

At June 30, 2018, the City reported negative fund balance/net position for the following funds:

Nonmajor Governmental Funds:	\$	380
Special Education Grants Fund		
Capital Projects Fund	\$	9,504,850

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$101,097,737 of the City’s bank balance of \$103,067,428 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 90,798,594
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>10,299,143</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 101,097,737</u></u>

**CITY OF BRISTOL, CONNECTICUT
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JUNE 30, 2018**

At June 30, 2018, the entire amount of the component unit’s deposits were included as part of pooled cash with the City’s cash accounts. Responsibility for custodial credit risk of deposits for the component unit rest with the City.

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, 2018, the cash equivalent amounted to \$12,164,245. 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	AAAm
Morgan Stanley	*
MultiBank	*
Northern Capital Securities	*

* Not Rated

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

Statement of net position:	
Cash and cash equivalents	\$ 98,166,820
Investments	<u>16,524,208</u>
Total statement of net position	<u>114,691,028</u>
Fiduciary funds:	
Cash and cash equivalents	12,737,193
Investments	<u>645,313,844</u>
Total fiduciary funds	<u>658,051,037</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 772,742,065</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

B. Investments

Investments as of June 30, 2018 in all funds are as follows:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Investment by fair value level:				
Certificate of Deposit*	\$ 7,660,371 *	\$ 3,191,482	\$ 4,468,889	\$
U.S. Government Securities	3,603,716	1,054,739	717,838	1,831,139
U.S. Government Agencies	9,662,343	259,875	2,732,279	6,670,189
Corporate Bonds	<u>18,946,861</u>	<u>612,951</u>	<u>14,086,114</u>	<u>4,247,796</u>
Total	39,873,291 \$	<u>5,119,047</u> \$	<u>22,005,120</u> \$	<u>12,749,124</u>
Other investments:				
Common stock	291,475,393			
Mutual funds	52,880,217			
Alternative investments	<u>277,609,151</u>			
Total Investments	\$ <u>661,838,052</u>			

*Subject to coverage by federal depository insurance and collateralization.

Average rating for of investments in debt securities at June 30, 2018 is as follows:

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>	<u>Certificate of Deposit</u>	<u>Total</u>
Aaa	\$	\$ 3,603,716	\$ 9,662,343	\$	\$ 13,266,059
Aa2	1,403,600				1,403,600
A1	1,161,699				1,161,699
A2	1,311,461				1,311,461
A3	1,003,886				1,003,886
Baa1	2,885,062				2,885,062
Baa2	3,290,205				3,290,205
Baa3	3,927,247				3,927,247
Ba1	92,497				92,497
Ba2	25,753				25,753
Ba3	546,344				546,344
B1	614,861				614,861
B2	182,995				182,995
Unrated	<u>2,501,251</u>			<u>7,660,371</u>	<u>10,161,622</u>
	\$ <u>18,946,861</u>	\$ <u>3,603,716</u>	\$ <u>9,662,343</u>	\$ <u>7,660,371</u>	\$ <u>39,873,291</u>

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities. The City has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

The City does not have a policy limiting investments in any one issuer that is in excess of five percent of the City's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2018, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

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 pension and OPEB plans. 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.

C. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2018:

<u>Investment Type</u>	<u>June 30, 2018</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 3,603,716	\$ 3,603,716	\$	\$
U.S. Government Agencies	9,662,343	9,662,343		
Corporate Bonds	18,946,861	18,946,861		
Common Stock	291,475,393	291,475,393		
Mutual Funds	<u>52,880,217</u>	<u>52,880,217</u>		
Total investments by fair market value level	376,568,530	<u>\$ 376,568,530</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Alternative Investments	<u>277,609,151</u>			
Total Investments Measured at Fair Value	\$ 654,177,681			
Certificate of Deposits	<u>7,660,371</u>			
Total Investments	<u>\$ 661,838,052</u>			

**CITY OF BRISTOL, CONNECTICUT
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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.

The Pension and OPEB Trust 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.

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.

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Alternative Investments	\$ 92,107,312	\$ 38,082,029	N/A	N/A
Alternative Investments	171,192,865		Quarterly	30-60 days
Alternative Investments	13,843,238		Annual	60 days
Alternative Investments	<u>465,736</u>		Monthly	185 days
	<u>\$ 277,609,151</u>			

Private equity funds include 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, 2018, 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.

Real estate funds include 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 equivalents) 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 investments will be sold, the fair value of each individual investments has been determined using the NAV per share (or its equivalents) of the Plan's ownership interest in partners' capital.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

4. RECEIVABLES

Receivables as of year end for the City’s individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Water Enterprise Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 3,495,177	\$	\$	\$	\$ 3,495,177
Interest	1,251,833				1,251,833
Accounts	726,059		1,448,492	328,887	2,503,438
Special assessments			64,503	474,482	538,985
Intergovernmental	649,212	3,285,191		718,126	4,652,529
Gross receivables	<u>6,122,281</u>	<u>3,285,191</u>	<u>1,512,995</u>	<u>1,521,495</u>	<u>12,441,962</u>
Less allowance for uncollectibles	<u>310,000</u>		<u>98,243</u>		<u>408,243</u>
Net Total Receivables	<u>\$ 5,812,281</u>	<u>\$ 3,285,191</u>	<u>\$ 1,414,752</u>	<u>\$ 1,521,495</u>	<u>\$ 12,033,719</u>

Total uncollectible amounts related to revenues of the current period are as follows:

General Fund:	
Uncollectibles related to taxes receivable	\$ 300,000
Uncollectibles related to accounts receivable	10,000
Water Enterprise Fund:	
Uncollectibles related to accounts receivable	<u>98,243</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 408,243</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 18,643,403	\$ 164,470	\$ (156,760)	\$	\$ 18,651,113
Construction in progress	31,572,679	12,871,432		(38,489,878)	5,954,233
Total capital assets not being depreciated	<u>50,216,082</u>	<u>13,035,902</u>	<u>(156,760)</u>	<u>(38,489,878)</u>	<u>24,605,346</u>
Capital assets being depreciated:					
Buildings	289,193,291	115,611		26,376,400	315,685,302
Improvements other than buildings	15,906,831			736,401	16,643,232
Machinery and equipment	77,579,998	5,399,441	(7,221,951)	9,317,842	85,075,330
Infrastructure	253,973,840	2,747,812	(1,318,133)	2,059,235	257,462,754
Total capital assets being depreciated	<u>636,653,960</u>	<u>8,262,864</u>	<u>(8,540,084)</u>	<u>38,489,878</u>	<u>674,866,618</u>
Less accumulated depreciation for:					
Buildings	(124,062,463) *	(6,588,633)			(130,651,096)
Improvements other than buildings	(10,980,300) *	(2,056,499)			(13,036,799)
Machinery and equipment	(57,875,229) *	(3,016,561)	6,948,094		(53,943,696)
Infrastructure	(140,613,798) *	(3,204,248)	1,264,073		(142,553,973)
Total accumulated depreciation	<u>(333,531,790)</u>	<u>(14,865,941)</u>	<u>8,212,167</u>	<u>-</u>	<u>(340,185,564)</u>
Total capital assets being depreciated, net	<u>303,122,170</u>	<u>(6,603,077)</u>	<u>(327,917)</u>	<u>38,489,878</u>	<u>334,681,054</u>
Governmental Activities Capital Assets, Net	<u>\$ 353,338,252</u>	<u>\$ 6,432,825</u>	<u>\$ (484,677)</u>	<u>\$ -</u>	<u>\$ 359,286,400</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 2,752,140	\$	\$	\$	\$ 2,752,140
Construction in progress	1,105,211	29,353			1,134,564
Total capital assets not being depreciated	<u>3,857,351</u>	<u>29,353</u>	<u>-</u>	<u>-</u>	<u>3,886,704</u>
Capital assets being depreciated:					
Buildings and system	37,533,789	723,160			38,256,949
Machinery and equipment	6,596,881	360,172	(32,444)		6,924,609
Total capital assets being depreciated	<u>44,130,670</u>	<u>1,083,332</u>	<u>(32,444)</u>	<u>-</u>	<u>45,181,558</u>
Less accumulated depreciation for:					
Buildings and system	(20,703,913)	(782,039)			(21,485,952)
Machinery and equipment	(4,184,008)	(294,602)	14,922		(4,463,688)
Total accumulated depreciation	<u>(24,887,921)</u>	<u>(1,076,641)</u>	<u>14,922</u>	<u>-</u>	<u>(25,949,640)</u>
Total capital assets being depreciated, net	<u>19,242,749</u>	<u>6,691</u>	<u>(17,522)</u>	<u>-</u>	<u>19,231,918</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,100,100</u>	<u>\$ 36,044</u>	<u>\$ (17,522)</u>	<u>\$ -</u>	<u>\$ 23,118,622</u>

*Beginning balance of governmental activities was restated. See Note 18 for details.

**CITY OF BRISTOL, CONNECTICUT
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 352,903
Public safety	1,171,306
Public works	6,814,415
Health and welfare	6,444
Libraries	534,941
Parks and recreation	394,067
Education	<u>5,591,865</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>14,865,941</u>
 Business-type activities	
Water	<u>\$ 1,076,641</u>

Construction Commitments

The City has several active construction projects as of June 30, 2018. The following is a summary of capital projects as of June 30, 2018:

	<u>Project Authorization (in thousands)</u>	<u>Cumulative Expenditures (in thousands)</u>
Schools	\$ 155,114	\$ 98,025
Streets, bridges and building improvements	63,709	50,230
Capital and nonrecurring	<u>54,553</u>	<u>46,710</u>
 Total	 \$ <u>273,376</u>	 \$ <u>194,965</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, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 255,203	\$ 11,947	\$ (22,302)	\$ 244,848
Less accumulated depreciation for:				
Furniture and equipment	<u>(205,378)</u>	<u>(8,814)</u>	<u>21,678</u>	<u>(192,514)</u>
 District Capital Assets, Net	 \$ <u>49,825</u>	 \$ <u>3,133</u>	 \$ <u>(624)</u>	 \$ <u>52,334</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2018, interfund receivables and payables were comprised of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 632,868
Nonmajor Governmental Funds	General Fund	9,101
Internal Service	Nonmajor Governmental Funds	<u>1,282,174</u>
Total		<u>\$ 1,924,143</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:

	<u>Transfers In</u>				<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Govern- mental</u>	
Transfer out:					
General Fund	\$	\$ 8,829,885	\$ 597,565	\$ 2,567,780	\$ 11,995,230
Capital Projects		518,517		110,195	628,712
Nonmajor Governmental Funds	<u>18,309</u>	<u>115,275</u>	<u>1,680,468</u>		<u>1,814,052</u>
Total Transfers In	<u>\$ 18,309</u>	<u>\$ 9,463,677</u>	<u>\$ 2,278,033</u>	<u>\$ 2,677,975</u>	<u>\$ 14,437,994</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, and 3) support the self-insurance for health and workers' compensation benefits.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

7. LEASES

Operating Leases

The City leases computers under noncancelable operating leases. Total costs for such leases were \$830,871 for the year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 683,151
2020	549,290
2021	380,540
2022	<u>6,578</u>
	<u>\$ 1,619,559</u>

8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 70,580,000	\$ 24,932,000	\$ 33,419,000	\$ 62,093,000	\$ 6,192,000
Clean Water Fund Loans	8,422,963	1,284,772	331,303	9,376,432	595,348
Premium on general obligation bonds	3,566,751	3,455,440	611,783	6,410,408	
Total bonds payable	<u>82,569,714</u>	<u>29,672,212</u>	<u>34,362,086</u>	<u>77,879,840</u>	<u>6,787,348</u>
Compensated absences	8,118,379	2,142,032	1,241,750	9,018,661	1,358,614
Landfill postclosure care	1,440,209	32,405	63,000	1,409,614	63,000
Net OPEB liability	51,716,240	850,598		52,566,838	
Net pension liability	8,932,185		8,932,185	-	
Unpaid claims	<u>11,832,599</u>	<u>38,925,837</u>	<u>40,163,655</u>	<u>10,594,781</u>	<u>5,318,585</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 164,609,326</u>	<u>\$ 71,623,084</u>	<u>\$ 84,762,676</u>	<u>\$ 151,469,734</u>	<u>\$ 13,527,547</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 1,990,000	\$ 503,000	\$ 831,000	\$ 1,662,000	\$ 258,000
Premium on general obligation bonds	146,698	69,713	32,649	183,762	
Notes payable	732,196		36,518	695,678	37,256
Total bonds payable and notes payable	<u>2,868,894</u>	<u>572,713</u>	<u>900,167</u>	<u>2,541,440</u>	<u>295,256</u>
Compensated absences	340,654	73,597	52,002	362,249	48,841
Net OPEB liability	<u>3,599,177</u>	<u>29,802</u>		<u>3,628,979</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 6,808,725</u>	<u>\$ 676,112</u>	<u>\$ 952,169</u>	<u>\$ 6,532,668</u>	<u>\$ 344,097</u>
Component Unit:					
Compensated Absences	<u>\$ 104,114</u>	<u>\$ 31,295</u>	<u>\$ 59,526</u>	<u>\$ 75,883</u>	<u>\$ 59,087</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

For the governmental activities, compensated absences, landfill post closure and net OPEB liabilities are generally liquidated by the General Fund.

Bond Anticipation Notes

Bond anticipation notes payable activity for the year ended June 30, 2018 was as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bond anticipation notes	01/20/17	10/19/17	1.75%	\$ 4,000,000	\$	\$ 4,000,000	\$ -
Bond anticipation notes	05/30/17	05/29/18	2.25%	3,400,000		3,400,000	-
Bond anticipation notes	10/19/17	07/18/18	2.00%		4,000,000		4,000,000
Bond anticipation notes	05/29/18	10/25/18	2.25%		<u>11,800,000</u>		<u>11,800,000</u>
Total				<u>\$ 7,400,000</u>	<u>\$ 15,800,000</u>	<u>\$ 7,400,000</u>	<u>\$ 15,800,000</u>

Of the City's bond anticipation notes payable at June 30, 2018, \$4,000,000 are taxable BANs issued to temporarily finance the purchase of land, demolition, abatement, cleanup and other work at the Bristol Centre Mall site. The remaining \$11,800,000 were issued to temporarily finance various capital projects as approved in the City's Capital Improvement Program and include, radio communications system replacement, streetlight upgrade and various other road and infrastructure improvements as well as some fire apparatus.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Bonds and notes payable at June 30, 2018 were comprised of the following:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2018</u>
General City Bonds:					
General improvement:					
2012 Refunding	08/11/11	07/15/22	3.00-5.00	15,589,000	8,095,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	4,126,000	3,606,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	1,739,000	17,739,000
2017 Refunding	11/09/17	08/01/30	3.00-5.00	5,437,000	5,388,000
Total general improvement bonds					<u>34,828,000</u>
School:					
2012 Refunding	08/11/11	07/15/22	3.00-5.00	6,234,000	3,472,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	2,991,000	1,079,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	3,391,000	3,391,000
2017 Refunding	11/09/17	08/01/30	3.00-5.00	16,094,000	15,952,000
Total school bonds					<u>23,894,000</u>
Sewers:					
2017 Refunding	11/09/17	08/01/30	3.00-5.00	3,401,000	3,371,000
Total sewer bonds					<u>3,371,000</u>
Capital Projects Fund:					
Clean Water Fund Notes 498-D/C	06/30/02	06/30/21	2.00	1,483,000	259,557
Clean Water Fund Notes 415-D/C	06/30/02	06/30/21	2.00	1,410,000	246,636
Clean Water Fund Notes 504-C	12/31/03	12/31/22	2.00	1,488,000	384,836
Clean Water Fund Notes 562-C	11/30/04	11/30/23	2.00	694,000	213,951
Clean Water Fund Notes 464-C	05/31/06	03/31/26	2.00	470,000	205,474
Clean Water Fund Notes 622-CSL	01/01/16	01/31/35	2.00	631,833	535,932
Interim Funding Obligation 640-DC	03/03/16	N/A	2.00	7,530,046	7,530,046
Total capital projects level debt					<u>9,376,432</u>
Total General City Serial Bonds and Clean Water Fund Loans					<u>71,469,432</u>
Water Department:					
Enterprise Fund Bonds:					
Water 2012 Refunding	08/11/11	07/15/22	3.00-5.00	2,112,000	1,163,000
Water 2017 Refunding	11/09/17	08/01/30	3.00-5.00	503,000	499,000
Total Water Bonds					<u>1,662,000</u>
Water 2014 Notes	12/31/14	12/31/33	2.00	501,000	401,288
Water 2015 Notes	09/30/15	03/31/35	2.00	344,155	294,390
Total Water Fund Notes					<u>695,678</u>
Total Water Department Enterprise Fund Bonds and Notes					<u>2,357,678</u>
Total Bonded Indebtedness					<u>\$ 73,827,110</u>

**CITY OF BRISTOL, CONNECTICUT
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JUNE 30, 2018**

General Obligation Bonds Refunding

On November 9, 2017, the City issued \$25,435,000 (2017, Series B) of general obligation refunding bonds with an interest rate between 3.00-5.00%. The bonds were issued to refund the outstanding principal amounts of the Issue of 2011 general obligation bonds. The net proceeds of \$28,782,532 after an original issue premium of \$3,525,153 and payment of \$177,621 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated November 2, 2017 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Securities. All investment income on the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for the payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 13 years by \$1,427,290 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,401,984. As of June 30, 2018, the amount of defeased debt outstanding from this refunding was \$27,625,000 and the escrow balance is \$28,389,976. This amount is removed from the governmental activities column of the statement of net position.

Notes and bonds payable are secured by the general revenue raising powers of the City. The annual requirements to amortize long-term bond obligations at June 30, 2018 are as follows:

	Governmental Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 6,192,000	\$ 2,382,728	\$ 595,348	\$ 157,418	\$ 6,787,348	\$ 2,540,146
2020	5,861,000	2,139,193	659,351	169,600	6,520,351	2,308,793
2021	6,257,000	1,867,498	672,661	156,291	6,929,661	2,023,789
2022	6,291,000	1,577,548	510,650	144,317	6,801,650	1,721,865
2023	5,030,000	1,326,758	476,021	134,197	5,506,021	1,460,955
2024-2028	17,538,000	4,115,051	2,025,996	545,741	19,563,996	4,660,792
2029-2033	12,444,000	1,298,240	2,135,152	340,438	14,579,152	1,638,678
2034-2038	2,480,000	111,600	2,225,257	120,502	4,705,257	232,102
2039			75,996	190	75,996	190
Total	\$ 62,093,000	\$ 14,818,616	\$ 9,376,432	\$ 1,768,694	\$ 71,469,432	\$ 16,587,310

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

	Business-Type Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 258,000	\$ 65,440	\$ 37,256	\$ 13,573	\$ 295,256	\$ 79,013
2020	269,000	54,900	38,007	12,822	307,007	67,722
2021	278,000	42,570	38,774	12,054	316,774	54,624
2022	279,000	29,845	39,557	11,272	318,557	41,117
2023	245,000	19,310	40,355	10,473	285,355	29,783
2024-2028	207,000	47,965	214,332	39,813	421,332	87,778
2029-2033	126,000	7,560	236,853	17,290	362,853	24,850
2034-2038			50,544	744	50,544	744
2039					-	-
Total	\$ 1,662,000	\$ 267,590	\$ 695,678	\$ 118,041	\$ 2,357,678	\$ 385,631

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 318,217,500	\$ 90,806,192	\$ 227,411,308
Schools	636,435,000	13,248,050	623,186,950
Sewers	530,362,500	24,588,401	505,774,099
Urban renewal	459,647,500		459,647,500
Pension deficit	424,290,000		424,290,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$990,010,000.

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	\$ 45,352,057
Schools	66,980,550
Sewers	<u>19,370,967</u>
	<u>\$ 131,703,574</u>

Additionally, net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$82,800,365

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

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 Energy and Environmental Protection 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 \$1,409,614 as of June 30, 2018. 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 (RCRA).

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 \$10,594,781 reported in the Internal Service Fund at June 30, 2018 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:

	<u>Liability July 1,</u>		<u>Claims and Changes In Estimates</u>		<u>Claim Payment</u>		<u>Liability June 30,</u>
2016-2017	\$ 12,300,995	\$	31,180,470	\$	31,648,866	\$	11,832,599
2017-2018	11,832,599		38,925,837		40,163,655		10,594,781

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
JUNE 30, 2018**

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 48,771	\$ 48,771
Prepays	5,457				5,457
Trust purpose				982,638	982,638
Restricted for:					
Grants				4,871,182	4,871,182
Debt service		1,735,735			1,735,735
Committed to:					
Landfill closure	585,523				585,523
Compensated absences	2,500,000				2,500,000
Capital and nonrecurring			3,742,330		3,742,330
Capital and nonrecurring WPCA			5,628,052		5,628,052
Equipment				3,629,152	3,629,152
Education				663,208	663,208
Manross Memorial Library				856,200	856,200
Sewer				6,296,774	6,296,774
Solid waste disposal				284,240	284,240
Community development				76,784	76,784
Pine Lake challenge course				132,711	132,711
Transfer station				389,212	389,212
Open space				4,044	4,044
Centre mall				454,887	454,887
Trust purpose				148,105	148,105
Assigned to:					
Subsequent year's budget	1,000,000				1,000,000
General government - carryover	4,011,843			475,328	4,487,171
Economic Development - carryover	500,000				500,000
General government encumbrances	7,121				7,121
Public safety encumbrances	9,857				9,857
Public works encumbrances	824,789				824,789
Libraries encumbrances	3,991				3,991
Health and welfare encumbrances	250				250
Miscellaneous encumbrances	9,795				9,795
Unassigned	<u>28,341,862</u>		<u>(18,875)</u>	<u>(380)</u>	<u>9,466,250</u>
Total Fund Balances	<u>\$ 37,800,488</u>	<u>\$ 1,735,735</u>	<u>\$ (9,504,850)</u>	<u>\$ 19,312,856</u>	<u>\$ 49,344,229</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$855,803 and committed and restricted fund balance for Nonmajor Governmental Funds of \$1,223,049.

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, 2018, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

13. OTHER POSTEMPLOYMENT BENEFITS

City Plan

A. 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, 2016, plan membership consisted of the following:

	Retiree Healthcare Plan
Active plan members	441
Retired members	1,445
Total participants	<u>1,886</u>

B. 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.

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 actuarially determined contribution of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

**CITY OF BRISTOL, CONNECTICUT
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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.

C. Investments

Investment Policy

The OPEB plan’s policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 4.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the City

For the year ended June 30, 2018, the City recognized a net OPEB Liability of \$56,195,817, of which \$52,566,838 was reported in the governmental activities and 3,628,979 in the business-type activities. The City’s net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018 were as follows:

Total OPEB liability	\$ 66,122,204
Plan fiduciary net position	<u>9,926,387</u>
 Net OPEB Liability	 <u><u>\$ 56,195,817</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 15.01%

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Actuarial Assumptions

The total OPEB liability at June 30, 2018 was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	N/A
Discount rate	7.20%
Expected return on assets	7.20%
Healthcare cost trend rates	7.51% for 2017, decreasing 0.3% per year until 2020, then decreasing 0.4% per year to an ultimate rate of 4.50% for 2026 and later years
Mortality rates	RP-2014 Headcount-Weighted Combined Healthy Mortality Table projected generationally from the central year using Scale MP-2016

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The arithmetic long-term expected real rate of return is 7.2%. The target allocation for each major asset as of June 30, 2018 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Intermediate Term Bonds	8.10 %
Long Term Bonds	3.60
Short Term Bonds	3.90
International Bonds	0.30
High Yield Bonds	6.10
Large Cap US Equities	19.80
Small Cap US Equities	3.10
Mid Cap US Equities	9.40
Developed Foreign Equities	8.20
Emerging Markets Equities	7.80
Alternatives/Other	17.20
Cash	12.50
	<u>100.00 %</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

E. Discount Rate

The discount rate used to measure the total OPEB liability was 7.20%, a decrease from 8% reported in the prior year. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2017	\$ 63,442,321	\$ 8,126,904	\$ 55,315,417
Changes for the year:			
Service cost	1,954,699		1,954,699
Interest on total OPEB liability	4,614,833		4,614,833
Effect of assumptions changes or inputs	548,793		548,793
Employer contributions		5,801,097	(5,801,097)
Member contributions		56,308	(56,308)
Net investment income (loss)		380,520	(380,520)
Benefit payments	(4,438,442)	(4,438,442)	-
Net changes	<u>2,679,883</u>	<u>1,799,483</u>	<u>880,400</u>
Balances as of June 30, 2018	<u>\$ 66,122,204</u>	<u>\$ 9,926,387</u>	<u>\$ 56,195,817</u>

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.20%) or 1 percentage point higher (8.20%) than the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB liability	\$ <u>62,062,870</u>	\$ <u>56,195,817</u>	\$ <u>50,992,904</u>

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.51% decreasing to 3.50%) or 1 percentage point higher (8.51% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (6.51% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.51% Decreasing to 4.5%)	1% Increase (8.51% Decreasing to 5.5%)
Net OPEB liability	\$ <u>49,267,167</u>	\$ <u>56,195,817</u>	\$ <u>64,271,119</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

For the year ended June 30, 2018, the City recognized OPEB expense of \$5,980,187, of which \$5,639,425 was reported in the governmental activities and 340,762 in the business-type activities. At June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Changes of assumptions or other inputs	\$ 465,152	\$ 25,259	\$ 490,411
Net difference between projected and actual earnings on OPEB plan investments	210,899		210,899
Total	<u>\$ 676,051</u>	<u>\$ 25,259</u>	<u>\$ 701,310</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2019	\$ 108,100	\$ 3,007	\$ 111,107
2020	108,100	3,007	111,107
2021	108,100	3,007	111,107
2022	108,099	3,007	111,106
2023	55,375	3,007	58,382
Thereafter	188,277	10,224	198,501

Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

- Medicare Supplement with Prescriptions \$ 92
- Medicare Supplement with Prescriptions and Dental 136
- Medicare Supplement with Prescriptions, Dental, Vision & Hearing 141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor Health Care Coverage

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

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**CITY OF BRISTOL, CONNECTICUT
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Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

**CITY OF BRISTOL, CONNECTICUT
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E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>49,154,327</u>
Total	<u>\$ 49,154,327</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$2,278,060 in Exhibit II for on-behalf amounts for the benefits provided by the State.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

14. EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

A. City Retirement System

Plan Description

The City is the administrator of the City Retirement System Pension Plan a Public Employee Retirement System (PERS). The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as pension trust fund. There are no stand-alone financial statements issued for the PERS. This plan was established and can be amended under the authority of the City Charter.

Effective June 29, 2018 the City adopted an ordinance that combined the investment, administration and actuarial reporting of the City, Police and Fire Retirement Funds into one General Retirement System made up of three divisions: City, Police and Fire as described in the City's ordinances. The financial statements at June 30, 2018 reflect the consolidation.

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
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The management of the City retirement system is vested in a retirement board consisting of twelve (12) 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), one member of the City’s Bristol Police Union, one member of the City’s Local Number 773 International Association of Firefighters, 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 other 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.

At July 1, 2016, PERS membership consisted of:

	City of Bristol Retirement System
Retirees, disabled and beneficiaries currently receiving benefits	781
Terminated employees entitled to benefits but not yet receiving them	113
Active members	922
Total	1,816

The City of Bristol General Retirement System consists of three divisions serving and pertaining to full time City employees, excluding teachers, as follows:

The City of Bristol Employees division covers all full-time employees (except firemen, policemen 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Firefighters' division covers all members of the Fire Department and 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 and 25 years of continuous service) receive a retirement benefit for life of 70% of base pay (including $\frac{1}{4}$ 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.

Police division covers all members of the Police Department and 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 were hired prior to July 1, 1988 and 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 his retirement, adjusted for escalation. The pension benefit formula is 70% of a member's compensation (base pay). Base pay shall include $\frac{1}{4}$ of an employee's unused sick leave paid out at the time of retirement if applicable.

Police retirees also receive automatic post-retirement increases on retiree pensions. The pension is 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 Employees Division are required to contribute 6% of pay. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions and interest are refunded.

Fire employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. Employees shall be fully vested after ten years of continuous service. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded.

Police employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees.

**CITY OF BRISTOL, CONNECTICUT
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 JUNE 30, 2018**

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2018, the City was required to make a contribution in the amount of \$2.6 million. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

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.

Concentrations

The following represents the investments that represent more than 5% of the Plan's net position as of June 30, 2018.:

Omega Overseas Partners, Ltd.	\$ 47,261,473
Boyd Watterson GSA Fund, LP	37,388,149
EnTrustPermal Structured Income Fund II-A Ltd.	37,103,020

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.81%. 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

For the year ended June 30, 2018, the City recognized a net pension asset of \$210,535,457, of which \$201,257,436 was reported in the governmental activities and \$9,278,021 in the business-type activities. The components of the net pension liability (asset) of the City at June 30, 2018 were as follows:

Total pension liability	\$ 436,636,099
Plan fiduciary net position	<u>647,171,556</u>
Net Pension Liability (Asset)	<u><u>\$ (210,535,457)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	148.22%

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2017	\$ 419,579,708	\$ 608,364,860	\$ (188,785,152)
Changes for the year:			
Service cost	9,104,904		9,104,904
Interest on total pension liability	30,841,588		30,841,588
Effect of economic/demographic gains or losses	(5,688,780)		(5,688,780)
Effect of assumption changes or inputs	7,044,151		7,044,151
Employer contributions		2,617,369	(2,617,369)
Member contributions		2,781,706	(2,781,706)
Net investment income (loss)		57,843,541	(57,843,541)
Benefit payments	(24,245,472)	(24,245,472)	-
Administrative expenses		(190,448)	190,448
Net changes	<u>17,056,391</u>	<u>38,806,696</u>	<u>(21,750,305)</u>
Balances as of June 30, 2018	<u>\$ 436,636,099</u>	<u>\$ 647,171,556</u>	<u>\$ (210,535,457)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	July 1, 2017
Measurement date	June 30, 2018
Inflation	2.70%
Salary increases including inflation	3.25%
Actuarial cost method	Entry age normal

RP-2000 Mortality Table for Employees and Healthy Annuitants, with generational projection 40% phase-in from Scale AA to BB.

The actuarial assumptions that determined the total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2015.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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. The following was the Board's adopted asset allocation policy and the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Interm Bonds	21.30%	2.20%
US High Yield Bonds	7.60%	5.61%
US Large Caps	30.00%	4.57%
US Small Caps	2.50%	5.81%
US Mid Caps	2.50%	5.10%
Foreign Developed Equity	13.60%	5.79%
Emerging Markets Equity	7.50%	8.12%
Private Equity	5.00%	8.96%
Hedge FOF Diversified	10.00%	1.97%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. 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.

Sensitivity of the Net Pension Liability 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 7.30%, 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 (6.30%) or 1 percentage point higher (8.30%) than the current rate:

	<u>1% Decrease to 6.30%</u>	<u>Current Discount Rate 7.30%</u>	<u>1% Increase to 8.30%</u>
Net Pension Asset	\$ (158,847,944)	\$ (210,535,457)	\$ (253,801,669)

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

As of June 30, 2018, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,907,225	\$ 8,464,754	\$	\$ 229,525
Changes of assumptions or other inputs	10,288,886	381,448	209,399	
Net difference between projected and actual earnings	<u>5,630,347</u>	<u></u>	<u></u>	<u>461,963</u>
Total	<u>\$ 20,826,458</u>	<u>\$ 8,846,202</u>	<u>\$ 209,399</u>	<u>\$ 691,488</u>

For the year ended June 30, 2018, the City recognized pension expense of \$7,207,792, of which \$7,776,241 was reported in the governmental activities and \$(568,449) in the business-type activities.

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2019	\$ 14,282,946	\$ (119,599)	14,163,347
2020	4,368,906	(119,599)	4,249,307
2021	(6,163,235)	(119,599)	(6,282,834)
2022	(539,024)	(119,598)	(658,622)
2023	30,663	(3,694)	26,969

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Combining Schedule of Pension and OPEB Plans Changes in Plan Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 2,617,369	\$ 5,801,097	\$ 8,418,466
Plan members	<u>2,781,706</u>	<u>56,308</u>	<u>2,838,014</u>
Total contributions	<u>5,399,075</u>	<u>5,857,405</u>	<u>11,256,480</u>
Investment income:			
Net appreciation in fair value of investments	54,930,128	247,134	55,177,262
Interest and dividends	<u>7,138,617</u>	<u>165,297</u>	<u>7,303,914</u>
	62,068,745	412,431	62,481,176
Less investment expense	<u>(4,225,204)</u>	<u>(31,911)</u>	<u>(4,257,115)</u>
Net investment income	<u>57,843,541</u>	<u>380,520</u>	<u>58,224,061</u>
Total additions	<u>63,242,616</u>	<u>6,237,925</u>	<u>69,480,541</u>
Deductions:			
Benefits	24,245,472	4,438,442	28,683,914
Administration	<u>190,448</u>	<u></u>	<u>190,448</u>
Total deductions	<u>24,435,920</u>	<u>4,438,442</u>	<u>28,874,362</u>
Net Change	38,806,696	1,799,483	40,606,179
Net Position Held in Trust for Pension and OPEB Benefits at July 1	<u>608,364,860</u>	<u>8,126,904</u>	<u>616,491,764</u>
Net Position Held in Trust for Pension and OPEB Benefits at June 30	<u>\$ 647,171,556</u>	<u>\$ 9,926,387</u>	<u>\$ 657,097,943</u>

B. Teacher Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

Employees

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

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

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

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

At June 30, 2018, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>190,973,158</u>
Total	\$	<u><u>190,973,158</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2018 the City recognized pension expense and revenue of \$22,090,016 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

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

Discount Rate

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

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

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

Other Information

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

15. TAX ABATEMENTS

As of June 30, 2018, the City provides tax abatements through the Connecticut Enterprise Zone Program and Urban Jobs Program, as well as a locally administered Enterprise Zone Program for projects that fall within the State-designated Enterprise Zone area but which do not qualify for the State-Sponsored Connecticut Enterprise Zone (EZ) Program.

The State-Sponsored Connecticut Enterprise Zone (EZ) Program provides real property tax abatements to encourage economic development in designated areas within a Targeted Investment Community of which the City has been designated, under Connecticut General Statutes Section 32-71. Eligible businesses include manufacturers, warehouse distributors and certain designated service related businesses. The property tax abatement is for a full five-year period and takes effect with the start of the first full assessment year following issuance of a "Certificate of Eligibility". For the fiscal year ended June 30, 2018, taxes abated through this program totaled approximately \$511,000. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The City-Sponsored Enterprise Zone Program is for projects within the State-designated Enterprise Zone area in which the applicant need not be a manufacturer, warehouse distributor, or eligible service-related business. To be eligible, commercial property must be improved to the extent of \$175,000 or greater. Program benefits are structured as a seven-year abatement of qualifying real and personal property improvements according to the following schedule: 100% (Year 1), 100% (Year 2), 50% (Year 3), 40% (Year 4), 30% (Year 5), 20% (Year 6), and 10% (Year 7). For the fiscal year ended June 30, 2018, the City did not have taxes abated through this program.

The Urban Jobs Program is available outside the geographic boundaries of the Enterprise Zone to certain companies. The property tax abatement is for a full five-year period and takes effect with the start of the first full assessment year following issuance of a "Certificate of Eligibility". For the fiscal year ended June 30, 2018, taxes abated through this program totaled approximately \$114,915. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

16. SUBSEQUENT EVENTS

At the end of August 2018, the City finalized a Project Loan and Project Grant Agreement with the State of Connecticut (Department of Energy and Environmental Protection) for the completed phosphorus reduction upgrade of the City Wastewater Treatment Plant. Under the agreement, the City received a grant of \$7,233,847 and a Clean Water Fund Program loan (640-DC) of \$7,530,046, which is payable in monthly payments through 2038. Advances from DEEP prior to closing have been recorded as Interim Funding Obligation, a long-term liability.

In October 2018, the City issued \$7,900,000 of general obligation bonds, series B, Federally taxable. Of these proceeds, \$3.7 million was used to retire the \$4.0 million bond anticipation note in effect at June 30, 2018 and approximately \$4.2 million was used to finance various capital project expenditures.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

In October 2018, the City issued \$22,500,000 of general obligation series A, tax-exempt bonds. Part of these proceeds were used to retire the \$11,800,000 bond anticipation note in effect at June 30, 2018. All proceeds were used to finance capital projects, completed and currently in process.

17. 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 City's financial statements:

GASB Statement 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.

GASB Statement 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The objective of this statement is to improve disclosure regarding direct borrowings and direct placements.

GASB Statement 84 - Fiduciary Activities

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement 87 - Leases

This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

18. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities:

- Implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- To correct beginning net pension asset for allocation between governmental activities and business type activities/enterprise fund, previously not recorded.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- To correct beginning balance of accumulated depreciation of capital assets recorded in error in prior years.

Governmental Activities:

Net position at June 30, 2017, as previously reported	\$ 530,339,314
Adjustments:	
Eliminate net OPEB obligation reported per GASB No. 45	32,827,399
Record starting net OPEB liability per GASB No. 75	(51,716,240)
Adjust beginning net pension asset	(8,009,897)
Adjust beginning capital assets	<u>6,514,495</u>
Net Position at July 1, 2017, as Restated	<u>\$ 509,955,071</u>

The following restatements were recorded to the beginning net position of the business type activities and enterprise fund:

- Implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- To correct beginning net pension asset for allocation between governmental activities and business type activities/enterprise fund, previously not recorded.

Business-Type Activities:

Net position at June 30, 2017, as previously reported	\$ 28,083,683
Adjustments:	
Record starting net OPEB liability per GASB No. 75	(3,599,177)
Record beginning net pension asset	<u>8,009,897</u>
Net Position at July 1, 2017, as Restated	<u>\$ 32,494,403</u>

Business-Type Activities - Enterprise Funds

Water Enterprise Fund:

Net position at June 30, 2017, as previously reported	\$ 28,083,683
Adjustments:	
Record starting net OPEB liability per GASB No. 75	(3,599,177)
Record beginning net pension asset	<u>8,009,897</u>
Net Position at July 1, 2017, as Restated	<u>\$ 32,494,403</u>



Required Supplementary Information

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018				Variance Over (Under)	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Property taxes:						
Current levy	\$ 137,958	\$	\$ 137,958	\$ 138,751	\$ 793	\$ 138,579
Prior levies	1,300		1,300	1,343	43	1,820
60-Day: GAAP			-	5	5	(110)
Interest and penalties	775		775	897	122	1,138
Total property taxes	<u>140,033</u>	<u>-</u>	<u>140,033</u>	<u>140,996</u>	<u>963</u>	<u>141,427</u>
Licenses, permits and fees:						
Assessor's Late Filing Fees	2		2	3	1	2
Delinquent Fees	2		2	1	(1)	
Circuit Court Fines	2		2	4	2	7
Dog Penalties	1		1	1	-	1
Merchandising Licenses	2		2	3	1	4
Marriage Licenses	2		2	2	-	2
Fees	10		10	13	3	16
Notary Services	4		4	4	-	4
Burial Permits	2		2	2	-	3
Trade Names	1		1	1	-	1
Vital Statistics	118		118	127	9	137
Parking Violations	48		48	41	(7)	58
Alarm Fees	17		17	16	(1)	12
Police Report Fees	12		12	16	4	15
Building Permits	850		850	1,394	544	1,063
PW Excavating Permits	12		12	11	(1)	8
Zoning Violations	2		2		(2)	
Surcharge			-	3	3	
Land Use Fees & Permits	13		13	38	25	22
Drop Box Fee	2		2	2	-	2
Library Fines	17		17	21	4	16
Total licenses, permits and fees	<u>1,127</u>	<u>-</u>	<u>1,127</u>	<u>1,713</u>	<u>586</u>	<u>1,380</u>
State and Federal Grants:						
State grants-in-aid:						
State Owned Property PILOT	57		57		(57)	
State Grant: Elderly Freeze			-	2	2	3
Tax Relief Elderly/Disabled Homeowner	350		350		(350)	334
Private Hospitals (PILOT)	392		392	380	(12)	392
Tax Relief Totally Disabled	10		10	13	3	14
Additional Tax Relief: Veterans	20		20	27	7	29
Enterprise Zone Reimbursement	100		100		(100)	125
MRSA Motor Vehicle	1,095		1,095		(1,095)	
Sales Tax Revenue Sharing	1,837		1,837		(1,837)	1,276
Town Aid Road Transportation	664		664	664	-	664
Mashantucket Pequot Grant	560		560	560	-	565
Off-track Betting	65		65	54	(11)	52
Miscellaneous State Grants	1		1	1	-	1
Municipal Grant		2,487	2,487	2,487	-	2,487

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018					2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance Over (Under)	
Utilities Tax	\$ 100	\$	\$ 100	\$ 105	\$ 5	\$ 126
Municipal Stabilization Grant			-	429	429	
Demand Response		57	57	57	-	57
Youth Services Bureau	41		41	39	(2)	41
Youth Services Bureau - Enhancement		7	7	7	-	8
Juvenile Diversion Grant		30	30	30	-	36
E911 Subsidy Grant	134		134	134	-	135
Dispatch Training Grant	6		6	4	(2)	6
School Readiness Grant/Quality Enhancement		2,914	2,914	2,883	(31)	2,820
Education Cost Sharing	41,657		41,657	40,906	(751)	41,420
Health Reimb.			-	189	189	220
Displaced Students			-	264	264	
Housing Authority (FED- PILOT)			-	107	107	193
Civil Preparedness	8		8	(3)	(11)	6
FEMA Disaster Grant			-		-	61
Total state and federal grants	47,097	5,495	52,592	49,339	(3,253)	51,071
Charges for services:						
Copier Charges	57		57	63	6	62
Water Reimbursement Fees	1		1	6	5	12
Foreclosure Reimbursement Fees	10		10	4	(6)	28
Recording Fees	280		280	271	(9)	298
Real Estate Transfer Tax (Conveyance Tax)	800		800	933	133	968
Department of Aging Services	64		64	70	6	66
Public Safety Charges for Services	621	942	1,563	1,979	416	1,581
Animal Control Charges	3		3	2	(1)	3
Miscellaneous Charges for Services	8	1	9	4	(5)	3
Public Works Service and Maps	342		342	367	25	409
Recycling Permits	8		8	16	8	14
City Building Rentals	163		163	170	7	168
Patching Charges		11	11	11	-	
Pool Revenue	194		194	199	5	192
Park Program	153		153	202	49	151
Total charges for services	2,704	954	3,658	4,297	639	3,955
Investment earnings:						
Interest-General Fund	325		325	915	590	449
Interest-Miscellaneous A/R	6		6	24	18	9
Total investment earnings	331	-	331	939	608	458
Sale of property and equipment	75	188	263	372	109	70

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018				Variance Over (Under)	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Other local revenue:						
Miscellaneous	\$ 9	\$	\$ 9	\$ 24	\$ 15	\$ 133
Contributions Interdistrict Cooperative	16	61	77	80	3	69
Library Trust Funds	18	19	37	51	14	50
Park Trust Funds & Gifts	423	129	552	553	1	489
Total other local revenue	466	209	675	708	33	741
Transfers in	3	18	21	18	(3)	13
Total Revenues and Other Financing Sources	\$ <u>191,836</u>	\$ <u>6,864</u>	\$ <u>198,700</u>	198,382	\$ <u>(318)</u>	\$ <u>199,115</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions for City teachers not budgeted:

Pension	22,090
OPEB	2,278

The Board of Education does not budget for intergovernmental grants, which are credited against education expense for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

Refunding bond issued	4,261
Premium on refunding bond issued	24,932
	<u>3,455</u>

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

\$ 255,398

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017**
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Government						
City Council:						
Personnel Services	\$ 59	\$	\$ 59	56	\$ 3	\$ 53
Mayor's Office:						
Personnel Services	177	(6)	171	171	-	163
Contractual Services	59	(4)	55	55	-	68
Supplies	1		1	1	-	1
Total mayor's office	237	(10)	227	227	-	232
Probate Court:						
Contractual Services	34	2	36	35	1	33
Supplies	5	1	6	6	-	5
Total probate court	39	3	42	41	1	38
Registrar of Voters:						
Personnel Services	180	(4)	176	175	1	187
Contractual Services	25	(2)	23	18	5	27
Supplies	17	9	26	23	3	28
Total registrar of voters	222	3	225	216	9	242
Assessor:						
Personnel Services	378	11	389	381	8	360
Contractual Services	19	33	52	49	3	35
Supplies	2		2	2	-	1
Capital Outlay			-	-	-	6
Total assessor	399	44	443	432	11	402
Board of Assessment Appeals:						
Personnel Services	14		14	6	8	5
Contractual Services	1		1		1	
Supplies	2	(2)	-		-	
Total board of assessment appeals	17	(2)	15	6	9	5
Tax Collector:						
Personnel Services	301	(2)	299	297	2	290
Contractual Services	72		72	48	24	57
Supplies	1		1	1	-	1
Total tax collector	374	(2)	372	346	26	348
Purchasing:						
Personnel Services	189	(12)	177	177	-	187
Contractual Services	8		8	8	-	-
Supplies	1		1	1	-	-
Capital Outlay		1	1	1	-	8
Total purchasing	198	(11)	187	187	-	195
Comptroller's Office:						
Personnel Services	652	23	675	674	1	623
Contractual Services	14		14	13	1	11
Supplies	1		1	1	-	-
Capital outlay		3	3	3	-	1
Total comptroller's office	667	26	693	691	2	635

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Treasurer:						
Personnel Services	\$ 111	\$ (7)	\$ 104	\$ 98	\$ 6	\$ 104
Contractual Services	11		11	8	3	6
Supplies	1		1	1	-	
Other/Misc.	20		20		20	5
Total treasurer	<u>143</u>	<u>(7)</u>	<u>136</u>	<u>107</u>	<u>29</u>	<u>115</u>
Information Systems:						
Personnel Services	499	15	514	512	2	491
Contractual Services	379	9	388	368	20	291
Supplies	10		10	9	1	10
Capital Outlay			-		-	44
Total information systems	<u>888</u>	<u>24</u>	<u>912</u>	<u>889</u>	<u>23</u>	<u>836</u>
Personnel Department:						
Personnel Services	490	11	501	501	-	471
Contractual Services	105	6	111	106	5	152
Purch. Professional Services	6	4	10	10	-	9
Supplies	5		5	5	-	5
Total personnel department	<u>606</u>	<u>21</u>	<u>627</u>	<u>622</u>	<u>5</u>	<u>637</u>
Corporation Counsel:						
Personnel Services	413	2	415	411	4	405
Contractual Services	267	(130)	137	132	5	234
Supplies	18	(3)	15	13	2	12
Total corporation counsel	<u>698</u>	<u>(131)</u>	<u>567</u>	<u>556</u>	<u>11</u>	<u>651</u>
City Clerk:						
Personnel Services	349	14	363	360	3	337
Contractual Services	74		74	59	15	66
Supplies	2		2	2	-	2
Total city clerk	<u>425</u>	<u>14</u>	<u>439</u>	<u>421</u>	<u>18</u>	<u>405</u>
Board of Finance:						
Personnel Services	1	1	2	2	-	1
Contractual Services	66	27	93	90	3	64
Total board of finance	<u>67</u>	<u>28</u>	<u>95</u>	<u>92</u>	<u>3</u>	<u>65</u>
Aging Department:						
Personnel Services	397	20	417	414	3	378
Contractual Services	196	59	255	250	5	240
Supplies	54	(2)	52	49	3	49
Total aging department	<u>647</u>	<u>77</u>	<u>724</u>	<u>713</u>	<u>11</u>	<u>667</u>

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**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017**
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
City Memberships						
Contractual Services	\$ 26	\$ -	\$ 26	\$ 26	\$ -	\$ 26
Youth Services:						
Personnel Services	282	6	288	284	4	273
Contractual Services	123	37	160	153	7	160
Supplies	9	-	9	8	1	9
Total youth services	414	43	457	445	12	442
Interdistrict COOP:						
Personnel Services		13	13	13	-	29
Contractual Services		6	6	6	-	2
Purchased other services		41	41	41	-	37
Supplies		1	1	1	-	1
Total interdistrict COOP	-	61	61	61	-	69
Community Promotions:						
Contractual Services	55	4	59	59	-	4
Other/Miscellaneous	25	(8)	17	17	-	33
Total community promotions	80	(4)	76	76	-	37
Boards and Commissions						
Personnel Services	6	-	6	6	-	5
Contractual Services	1	-	1	1	1	-
Total boards and commissions	7	-	7	6	1	5
Total general government	6,213	177	6,390	6,216	174	6,105

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Public Safety						
Police Department:						
Personnel Services	\$ 14,476	\$ 888	\$ 15,364	\$ 15,277	\$ 87	\$ 14,243
Contractual Services	713	(80)	633	580	53	684
Supplies	272	(5)	267	239	28	235
Capital Outlay	32	(25)	7	7	-	54
Total police department	<u>15,493</u>	<u>778</u>	<u>16,271</u>	<u>16,103</u>	<u>168</u>	<u>15,216</u>
Fire Department:						
Personnel Services	7,814	201	8,015	8,012	3	7,653
Contractual Services	233	(10)	223	198	25	175
Supplies	196	(2)	194	181	13	170
Capital Outlay	55	3	58	53	5	52
Total fire department	<u>8,298</u>	<u>192</u>	<u>8,490</u>	<u>8,444</u>	<u>46</u>	<u>8,050</u>
Animal Control:						
Personnel Services	140	6	146	146	-	137
Contractual Services	11		11	10	1	21
Supplies	5		5	5	-	5
Total animal control	<u>156</u>	<u>6</u>	<u>162</u>	<u>161</u>	<u>1</u>	<u>163</u>
Emergency Management:						
Personnel Services	7		7	7	-	7
Contractual Services	3		3	2	1	2
Supplies	6		6	5	1	2
Capital Outlay	-		-	-	-	1
Total emergency management	<u>16</u>	<u>-</u>	<u>16</u>	<u>14</u>	<u>2</u>	<u>12</u>
Building Inspection:						
Personnel Services	526	34	560	555	5	501
Contractual Services	8	2	10	9	1	11
Supplies	5		5	4	1	5
Total building inspection	<u>539</u>	<u>36</u>	<u>575</u>	<u>568</u>	<u>7</u>	<u>517</u>
Total public safety	<u>24,502</u>	<u>1,012</u>	<u>25,514</u>	<u>25,290</u>	<u>224</u>	<u>23,958</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING
 USES - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
 ACTUAL AMOUNTS FOR 2017
 (In Thousands)

	2018					2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Public Works						
Administration:						
Personnel Services	\$ 350	\$ 12	\$ 362	\$ 345	\$ 17	\$ 336
Contractual Services	9	16	25	20	5	19
Supplies	2		2	1	1	2
Total administration	<u>361</u>	<u>28</u>	<u>389</u>	<u>366</u>	<u>23</u>	<u>357</u>
Engineering:						
Personnel Services	809	(56)	753	753	-	724
Contractual Services	74	10	84	43	41	73
Supplies	4	1	5	5	-	7
Total engineering	<u>887</u>	<u>(45)</u>	<u>842</u>	<u>801</u>	<u>41</u>	<u>804</u>
Land Use:						
Personnel Services	202	10	212	209	3	141
Contractual Services	16		16	14	2	13
Supplies	1		1	1	-	-
Capital Outlay			-		-	4
Total land use	<u>219</u>	<u>10</u>	<u>229</u>	<u>224</u>	<u>5</u>	<u>158</u>
Maintenance:						
Personnel Services	564	45	609	609	-	606
Contractual Services	434	104	538	538	-	506
Supplies	139	(21)	118	118	-	124
Total maintenance	<u>1,137</u>	<u>128</u>	<u>1,265</u>	<u>1,265</u>	<u>-</u>	<u>1,236</u>
Streets Division:						
Personnel Services	1,656	(1)	1,655	1,643	12	1,543
Contractual Services	40	(21)	19	18	1	14
Supplies	170	(20)	150	125	25	188
Capital Outlay			-		-	132
Total streets division	<u>1,866</u>	<u>(42)</u>	<u>1,824</u>	<u>1,786</u>	<u>38</u>	<u>1,877</u>
Solid Waste Division:						
Personnel Services	958	55	1,013	969	44	957
Contract Services	78	(46)	32	13	19	749
Supplies	17		17	6	11	5
Capital Outlay			-		-	(714)
Transfer out			-		-	
Total solid waste division	<u>1,053</u>	<u>9</u>	<u>1,062</u>	<u>988</u>	<u>74</u>	<u>997</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Fleet Maintenance:						
Personnel Services	\$ 618	\$ 5	\$ 623	\$ 623	\$ -	\$ 573
Contractual Services	415	75	490	490	-	392
Supplies	826	39	865	865	-	936
Total fleet maintenance	<u>1,859</u>	<u>119</u>	<u>1,978</u>	<u>1,978</u>	<u>-</u>	<u>1,901</u>
Snow Removal:						
Personnel Services	250	12	262	262	-	238
Contractual Services	322	(18)	304	304	-	346
Supplies	494	83	577	576	1	524
Total snow removal	<u>1,066</u>	<u>77</u>	<u>1,143</u>	<u>1,142</u>	<u>1</u>	<u>1,108</u>
Major Road Improvements:						
Personnel Services	12	10	22	22	-	34
Contractual Services	2,040	2,064	4,104	4,097	7	4,921
Total major road improvements	<u>2,052</u>	<u>2,074</u>	<u>4,126</u>	<u>4,119</u>	<u>7</u>	<u>4,955</u>
Railroad Maintenance:						
Contractual Services	<u>26</u>	<u>175</u>	<u>201</u>	<u>193</u>	<u>8</u>	<u>16</u>
Other City Buildings:						
Contractual Services	104	6	110	110	-	101
Supplies	<u>72</u>	<u>20</u>	<u>92</u>	<u>92</u>	<u>-</u>	<u>75</u>
Total other city buildings	<u>176</u>	<u>26</u>	<u>202</u>	<u>202</u>	<u>-</u>	<u>176</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING
 USES - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
 ACTUAL AMOUNTS FOR 2017
 (In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Perm Patch Utility Trenches: Personnel Services	\$	11	\$ 11	\$ 11	\$ -	\$ 55
Public Works Fleet: Capital Outlay	914	52	966	923	43	1,009
Public Works Line Painting: Personnel Services	1		1		1	
Contractual Services	140	(38)	102	102		140
Supplies			-		-	
Total public works line painting	141	(38)	103	102	1	140
Storm Water Maintenance Personnel Services		2	2	2	-	2
Street Lighting: Contractual Services	220	153	373	372	1	562
Total public works	11,977	2,739	14,716	14,474	242	15,353
Health and Welfare						
Community Services: Personnel Services	47	4	51	49	2	46
Contractual Services	14		14	11	3	11
Other/Miscellaneous	42		42	34	8	28
Total community services	103	4	107	94	13	85
Bristol-Burlington Health: Contractual Services	3,144		3,144	3,144	-	3,228
Bristol Preschool: Contractual Services			-		-	5

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Health/SS Outside Agencies:						
Contractual Services	\$ 88	\$ 12	\$ 100	\$ 96	\$ 4	\$ 109
Other/Miscellaneous	14		14	14	-	18
Total health/SS outside agencies	<u>102</u>	<u>12</u>	<u>114</u>	<u>110</u>	<u>4</u>	<u>127</u>
Cemetery Upkeep:						
Purch. Prof. Services	79		79	79	-	79
School Readiness Program:						
Personnel Services		76	76	76	-	74
Contractual Service	8	2,838	2,846	2,813	33	2,755
Total school readiness program	<u>8</u>	<u>2,914</u>	<u>2,922</u>	<u>2,889</u>	<u>33</u>	<u>2,829</u>
Total health and welfare	<u>3,436</u>	<u>2,930</u>	<u>6,366</u>	<u>6,316</u>	<u>50</u>	<u>6,353</u>
Libraries						
Library:						
Personnel Services	1,536	44	1,580	1,567	13	1,468
Contractual Services	308	29	337	302	35	282
Supplies	293	52	345	315	30	275
Capital Outlay		2	2	2	-	-
Total libraries	<u>2,137</u>	<u>127</u>	<u>2,264</u>	<u>2,186</u>	<u>78</u>	<u>2,025</u>
Parks and Recreation						
Parks and Recreation:						
Personnel Services	1,831	77	1,908	1,905	3	1,719
Contractual Services	286	14	300	287	13	348
Purch. Prof. Services		6	6	4	2	
Supplies	269	14	283	267	16	231
Capital Outlay	4	(36)	(32)	(32)	-	162
Other/Miscellaneous	6	(4)	2	2	-	1
General Insurance	42	(1)	41	39	2	40
Total parks and recreation	<u>2,438</u>	<u>70</u>	<u>2,508</u>	<u>2,472</u>	<u>36</u>	<u>2,501</u>
Employee Benefits and Pension						
Employee benefits and pension:						
Retirement Benefits	1,266		1,266	1,179	87	450
Employee Benefits	1,568	379	1,947	1,930	17	2,136
Other Post Employment Benefits	1,363		1,363	1,363	-	1,000
Total employee benefits and pension	<u>4,197</u>	<u>379</u>	<u>4,576</u>	<u>4,472</u>	<u>104</u>	<u>3,586</u>

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Insurance						
General Insurance	\$ 842	\$	\$ 842	\$ 805	\$ 37	\$ 785
Miscellaneous						
Miscellaneous:						
All Other Costs and Fees	2,537	1,443	3,980	541	3,439	851
Education						
Board of Education:						
General Control	2,601	(95)	2,506	2,506	-	2,409
Instruction	46,825	73	46,898	46,898	-	47,256
Transportation	4,006	114	4,120	4,120	-	4,052
Operation of Plant	6,541	(188)	6,353	6,353	-	6,552
Maintenance of Plant	2,382	(115)	2,267	2,267	-	2,053
Benefits and Fixed	18,246	(14,626)	3,620	3,620	-	2,671
Athletics and Student	1,987	(106)	1,881	1,881	-	1,857
Capital Outlay	2,208	(318)	1,890	1,890	-	1,860
Other/miscellaneous	24,751	1,482	26,233	26,223	10	24,020
Tuition	815	48	863	863	-	858
Total Board of Education	110,362	(13,731)	96,631	96,621	10	93,588
Transfers to other funds:						
Special Revenue	1,399	869	2,268	2,268	-	3,717
Debt Service	8,417	413	8,830	8,830	-	7,949
Capital Projects	589	9	598	598	-	1,767
Sinking Fund	250		250	250	-	403
Internal Service	12,540	14,145	26,685	26,685	-	29,260
Total transfers to other funds	23,195	15,436	38,631	38,631	-	43,096
Total	\$ 191,836	\$ 10,582	\$ 202,418	198,024	\$ 4,394	\$ 198,201

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions for City teachers not budgeted:

Pension	22,090
OPEB	2,278

The Board of Education does not budget for intergovernmental grants, which are credited against education expense for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

4,261

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

1,330

Payment to refunding bond escrow agent

28,213

Bond issuance costs not budgeted

175

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

\$ 256,371

CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST TWO FISCAL YEARS*

	<u>2018</u>	<u>2017</u>
Total OPEB liability:		
Service cost	\$ 1,954,699	\$ 1,821,714
Interest	4,614,833	4,434,274
Changes of benefit terms		
Differences between expected and actual experience		851,289
Changes of assumptions	548,793	
Benefit payments	<u>(4,438,442)</u>	<u>(5,083,891)</u>
Net change in total OPEB liability	2,679,883	2,023,386
Total OPEB liability - beginning	<u>63,442,321</u>	<u>61,418,935</u>
Total OPEB liability - ending	<u>66,122,204</u>	<u>63,442,321</u>
Plan fiduciary net position:		
Contributions - employer	5,801,097	6,583,891
Contributions - member	56,308	54,072
Net investment income	380,520	445,223
Benefit payments	<u>(4,438,442)</u>	<u>(5,083,891)</u>
Net change in plan fiduciary net position	1,799,483	1,999,295
Plan fiduciary net position - beginning	<u>8,126,904</u>	<u>6,127,609</u>
Plan fiduciary net position - ending	<u>9,926,387</u>	<u>8,126,904</u>
Net OPEB Liability - Ending	<u>\$ 56,195,817</u>	<u>\$ 55,315,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability/asset	15.01%	12.81%
Covered payroll	\$ 98,287,369	\$ 98,287,369
Net OPEB liability (asset) as a percentage of covered payroll	57.18%	56.28%
<u>Notes to Schedule:</u>		
Assumption Changes:		
Discount rate	7.20%; Prior: 7.30%	

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB PLAN
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 6,234,993	\$ 7,256,765	\$ 7,308,579	\$ 7,008,204	\$ 9,322,000	\$ 7,528,000	\$ 7,883,000	\$ 8,279,000	\$ N/A	\$ N/A
Contributions in relation to the actuarially determined contribution	<u>5,801,097</u>	<u>6,583,891</u>	<u>3,961,206</u>	<u>3,156,480</u>	<u>4,446,594</u>	<u>4,456,576</u>	<u>4,756,449</u>	<u>5,166,096</u>	<u>N/A</u>	<u>N/A</u>
Contribution Deficiency (Excess)	<u>\$ 433,896</u>	<u>\$ 672,874</u>	<u>\$ 3,347,373</u>	<u>\$ 3,851,724</u>	<u>\$ 4,875,406</u>	<u>\$ 3,071,424</u>	<u>\$ 3,126,551</u>	<u>\$ 3,112,904</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Covered payroll	\$ 98,287,369	\$ 98,287,369	\$ 96,520,538	\$ 96,520,538	\$ 88,563,000	\$ 88,563,000	\$ 91,807,000	\$ 91,807,000	\$ 70,000,000	\$ 70,000,000
Contributions as a percentage of covered payroll	5.90%	6.70%	4.10%	3.27%	5.02%	5.03%	5.18%	5.63%	0.00%	0.00%

Notes to Schedule

Valuation date	July 1, 2016
Measurement date	June 30, 2018
Valuation timing	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent, open
Remaining amortization period	28 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.20%
Cost of living adjustment	N/A
Retirement age	Rates based on age
Turnover	None
Mortality	RP-2014 Headcount-Weighted Combined Healthy Mortality Table projected generationally from the central year using Scale MP-2016

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS - OPEB PLAN
LAST TWO FISCAL YEARS***

	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.31%	6.83%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHERS' RETIREMENT PLAN
 LAST FOUR FISCAL YEARS***

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>49,154,327</u>
Total	<u>\$ 49,154,327</u>
City's covered payroll	\$ 56,374,579
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate. Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
CITY OF BRISTOL RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 9,104,904	\$ 9,177,475	\$ 8,277,518	\$ 8,034,547	\$ 7,964,316
Interest on total pension liability	30,841,588	29,232,077	28,136,062	27,281,639	26,593,867
Effect of plan changes					
Effect of economic/demographic gains or losses	(5,688,780)	5,571,684	(2,130,022)	(4,305,301)	
Effect of assumption changes or inputs	7,044,151	6,729,043			
Benefit payments	<u>(24,245,472)</u>	<u>(23,012,190)</u>	<u>(22,398,939)</u>	<u>(21,687,626)</u>	<u>(20,636,951)</u>
Net change in total pension liability	17,056,391	27,698,089	11,884,619	9,323,259	13,921,232
Total pension liability - beginning	<u>419,579,708</u>	<u>391,881,619</u>	<u>379,997,000</u>	<u>370,673,741</u>	<u>356,752,509</u>
Total pension liability - ending	<u>436,636,099</u>	<u>419,579,708</u>	<u>391,881,619</u>	<u>379,997,000</u>	<u>370,673,741</u>
Plan fiduciary net position:					
Employer contributions	2,617,369	1,064,936	44,000	127,325	227,500
Member contributions	2,781,706	2,654,883	2,582,644	2,419,097	2,488,640
Net investment income	57,843,541	66,698,627	(9,656,082)	(4,242,226)	79,063,132
Benefit payments	(24,245,472)	(23,012,190)	(22,398,939)	(21,687,626)	(21,156,744)
Administrative expenses	(190,448)				
Net change in plan fiduciary net position	<u>38,806,696</u>	<u>47,406,256</u>	<u>(29,428,377)</u>	<u>(23,383,430)</u>	<u>60,622,528</u>
Plan fiduciary net position - beginning	<u>608,364,860</u>	<u>560,958,604</u>	<u>590,386,981</u>	<u>613,770,411</u>	<u>553,147,883</u>
Plan fiduciary net position - ending	<u>647,171,556</u>	<u>608,364,860</u>	<u>560,958,604</u>	<u>590,386,981</u>	<u>613,770,411</u>
Net Pension Liability (Asset) - Ending	<u>\$ (210,535,457)</u>	<u>\$ (188,785,152)</u>	<u>\$ (169,076,985)</u>	<u>\$ (210,389,981)</u>	<u>\$ (243,096,670)</u>
Plan fiduciary net position as a percentage of the total pension liability	148.22%	144.99%	143.14%	155.37%	165.58%
Covered payroll	\$ 48,452,620	\$ 44,945,681	\$ 45,357,037	\$ 44,715,823	\$ 44,891,754
Net pension liability as a percentage of covered payroll	-434.52%	-420.03%	-372.77%	-470.50%	-541.52%

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF BRISTOL RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
(In Thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,617,369	\$ 756,393	\$ 352,453	\$ 507,245	\$ 604,612	\$	\$	\$	\$	\$
Contributions in relation to the actuarially determined contribution	2,617,369	1,064,936	44,000	127,325	227,500					
Contribution Deficiency (Excess)	\$ -	\$ (308,543)	\$ 308,453	\$ 379,920	\$ 377,112	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 48,452,620	\$ 44,945,681	\$ 45,357,037	\$ 44,715,823	\$ 44,891,754	\$ 44,638,648	\$ 44,359,243	\$ 44,434,575	\$ 44,811,297	\$ 42,948,909
Contributions as a percentage of covered payroll	5.40%	2.37%	0.10%	0.28%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date	July 1, 2017
Measurement date	June 30, 2018
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	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	19 years
Asset valuation method	4-years smoothed market, non-asymptotic, Corridor - 80% to 120% of market value
Inflation	2.70%
Salary increases	Age graded salary growth with an ultimate rate of 3.25%
Investment rate of return	7.30%
Cost of living adjustment	Police: Pre-December 15, 2002 retirees: 3.25% per year Post-December 15, 2002 retirees: 2.25% per year Fire: Pre-July 1, 1999 retirees: 3.25% per year July 1, 1999 to June 30, 2003 retirees: 2.50% per year Post-June 30, 2003 retirees: 2.25% per year
Retirement age	City: None Police and Fire: Rates based on age City: Rates based on age and service
Turnover	Rates based on age
Mortality	RP-2000 Mortality Table for Employees and Healthy Annuitants, with generational projection 40% phase-in from Scale AA to BB

**CITY OF BRISTOL, CONNECTICUT
 SCHEDULE OF INVESTMENT RETURNS
 CITY OF BRISTOL RETIREMENT SYSTEM
 LAST FIVE FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	8.81%	12.06%	-2.47%	0.52%	15.44%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT PLAN
LAST FOUR FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	-
State's proportionate share of the net pension liability associated with the City	<u>190,973,158</u>	<u>201,478,144</u>	<u>152,907,734</u>	<u>141,332,557</u>
Total	<u>\$ 190,973,158</u>	<u>\$ 201,478,144</u>	<u>\$ 152,907,734</u>	<u>\$ 141,332,557</u>
City's covered payroll	\$ 56,374,579	\$ 58,343,820	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in benefit terms

None

Changes of assumptions

During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

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

20.4

Asset valuation method

4-year smoothed market

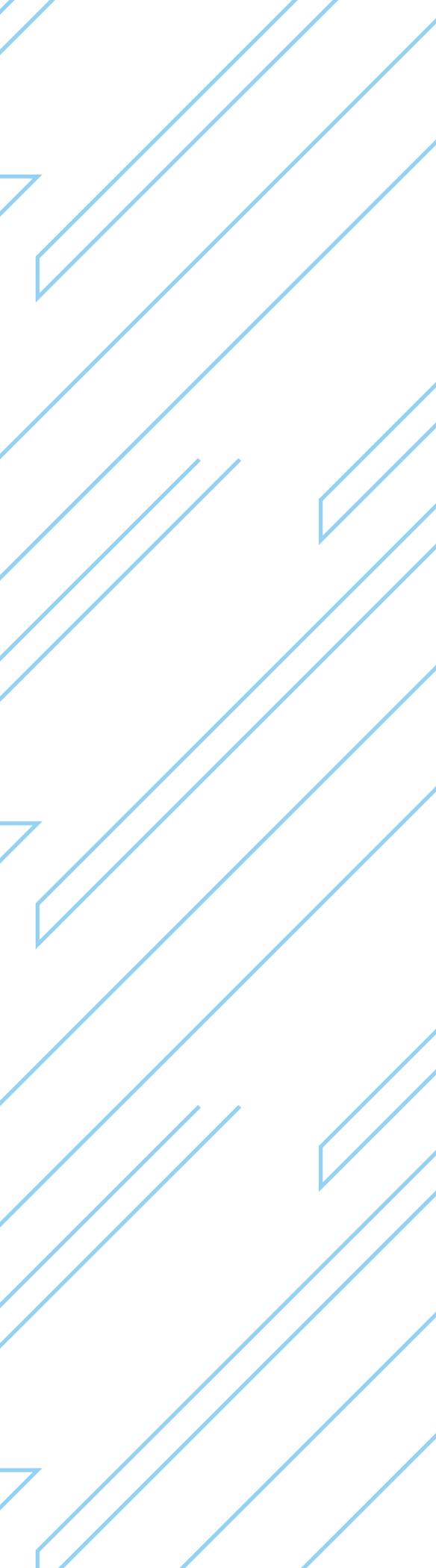
Investment rate of return

8.50%, net of investment related expense

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available



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.

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 42,612,874	\$ 42,825,448
Investments	10,272,802	9,028,232
Receivables:		
Taxes, net of allowance for uncollectible amounts of \$300,000 in 2018 and 2017	3,195,177	4,293,007
Interest receivable	1,251,833	
Other, net of allowance for uncollectible amounts of \$10,000 in 2018 and 2017	716,059	562,126
Due from other funds	632,868	712,303
Due from other governments	649,212	338,280
Other assets	<u>5,457</u>	
Total Assets	<u>\$ 59,336,282</u>	<u>\$ 57,759,396</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 6,826,875	\$ 4,774,847
Accrued liabilities	10,306,368	9,890,244
Due to other funds	9,101	45,038
Unearned revenue	<u>327,649</u>	
Total liabilities	<u>17,469,993</u>	<u>14,710,129</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>4,065,801</u>	<u>4,275,850</u>
Fund balance:		
Nonspendable	5,457	
Committed	3,085,523	3,093,837
Assigned	6,367,646	7,884,336
Unassigned	<u>28,341,862</u>	<u>27,795,244</u>
Total fund balance	<u>37,800,488</u>	<u>38,773,417</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 59,336,282</u>	<u>\$ 57,759,396</u>

CITY OF BRISTOL, CONNECTICUT
 GENERAL FUND
 REPORT OF TAX COLLECTOR
 FOR THE YEAR ENDED JUNE 30, 2018
 (In Thousands)

Grand List	Uncollected Taxes July 1, 2017	Current Levy	Lawful Corrections		Transfers to Suspense	Suspense Items Collected	Tax Abatements	Other Adjustments	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2018		
			Additions	Deductions						Taxes	Interest	Lien Fees		Total	
2016	\$	\$ 140,596	\$ 606	\$ 562	\$	\$	14	\$	140,626	\$ 138,673	\$ 466	9	\$ 139,148	\$ 1,953	
2015	1,998		68	62	85	27	2	(2)	1,942	1,225	239	11	1,475	717	
2014	619		80	51	335	62	2		373	267	102	11	380	106	
2013	246		6	1		20	3		268	91	28	4	123	177	
2012	69					12	2		79	21	15	3	39	58	
2011	102					7			109	8	9	2	19	101	
2010	46					4			50	4	3	1	8	46	
2009	46					2			48	2	2	1	5	46	
2008	45					1			46	1	1	1	3	45	
2007	45					2			47	2	4	1	7	45	
2006	44					3			47	3	4	1	8	44	
2005	46					2			48	2	5	1	8	46	
2004	40					2			42	2	3	1	6	40	
2003	37					1			38	1	2		3	37	
2002	35								35				-	35	
Total	\$ 3,418	\$ 140,596	\$ 760	\$ 676	\$ 420	\$ 145	\$ 23	\$ (2)	\$ 143,798	140,302	883	47	141,232	\$ 3,496	
										Less: Code enforcement fees collected included above			(208)		
										Less: Pass through fees in collections above		14	(47)	(33)	
										Property taxes receivable considered available:					
										June 30, 2017				(378)	
										June 30, 2018				383	
										Total Property Tax Revenue (RSI-1)	\$ 140,099	\$ 897	\$ -	\$ 140,996	



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	Licenses and permits	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

**CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	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	Police Department Drug Forfeiture	Pine Lake Challenge Course
ASSETS										
Cash and cash equivalents	\$ 4,113,492	\$ 2,244,506	\$ 2,523,731	\$ 2,674,223	\$	\$ 856,200	\$ 7,021,867	\$ 363,055	\$ 334,360	\$ 145,256
Investments										
Accounts receivable			10,900		1,585		238,055	28,266		
Assessment receivable							474,482			
Due from other funds			1,165	31,899						
Due from other governments		61,811	43,845	108,203	434,106				11,097	
Inventory					48,771					
Total Assets	\$ 4,113,492	\$ 2,306,317	\$ 2,579,641	\$ 2,814,325	\$ 484,462	\$ 856,200	\$ 7,734,404	\$ 391,321	\$ 345,457	\$ 145,256
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 484,340	\$ 59,414	\$ 134,347	\$ 90,637	\$ 180,726	\$	\$ 434,090	\$ 107,081	\$ 24,872	\$ 5,285
Accrued liabilities		9,133	83,814	945,203	20,675		30,799		22,786	4,420
Due to other funds			22,798	1,712,872	205,485					
Due to other governments				4,348						
Unearned revenue				61,645						2,840
Total liabilities	484,340	68,547	240,959	2,814,705	406,886	-	464,889	107,081	47,658	12,545
Deferred inflows of resources:										
Unavailable revenue - sewer use							28,421			
Unavailable revenue - sewer assessments							474,482			
Total deferred inflows of resources	-	-	-	-	-	-	502,903	-	-	-
Fund Balances:										
Nonspendable					48,771					
Restricted		2,155,496	2,338,682						297,799	
Committed	3,629,152	76,784			28,805	856,200	6,296,774	284,240		132,711
Assigned		5,490					469,838			
Unassigned				(380)						
Total fund balances	3,629,152	2,237,770	2,338,682	(380)	77,576	856,200	6,766,612	284,240	297,799	132,711
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,113,492	\$ 2,306,317	\$ 2,579,641	\$ 2,814,325	\$ 484,462	\$ 856,200	\$ 7,734,404	\$ 391,321	\$ 345,457	\$ 145,256

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**CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2018**

	Special Revenue Funds							Reserve Fund for Depreciation for Page Park Swimming Pool	Total
	LOCIP Projects	Transfer Station	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2		
ASSETS									
Cash and cash equivalents	\$ 36,173	\$ 644,604	\$ 666,157	\$ 4,044	\$ 455,032	\$ 36,138	\$ 1,257	\$ 110,710	\$ 22,230,805
Investments									-
Accounts receivable		583	12						279,401
Assessment receivable									474,482
Due from other funds			2,150						35,214
Due from other governments	59,064								718,126
Inventory									48,771
Total Assets	\$ 95,237	\$ 645,187	\$ 668,319	\$ 4,044	\$ 455,032	\$ 36,138	\$ 1,257	\$ 110,710	\$ 23,786,799
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 16,032	\$ 40,656	\$ 23,878	\$	\$ 145	\$	\$	\$	\$ 1,601,503
Accrued liabilities		7,121	10,038						1,133,989
Due to other funds									1,941,155
Due to other governments									4,348
Unearned revenue		208,198							272,683
Total liabilities	16,032	255,975	33,916	-	145	-	-	-	4,953,678
Deferred inflows of resources:									
Unavailable revenue - sewer use									28,421
Unavailable revenue - sewer assessments									474,482
Total deferred inflows of resources	-	-	-	-	-	-	-	-	502,903
Fund Balances:									
Nonspendable									48,771
Restricted	79,205								4,871,182
Committed		389,212	634,403	4,044	454,887	36,138	1,257	110,710	12,935,317
Assigned									475,328
Unassigned									(380)
Total fund balances	79,205	389,212	634,403	4,044	454,887	36,138	1,257	110,710	18,330,218
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 95,237	\$ 645,187	\$ 668,319	\$ 4,044	\$ 455,032	\$ 36,138	\$ 1,257	\$ 110,710	\$ 23,786,799

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**CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2018**

	Permanent Funds					Interfund Eliminations	Total Nonmajor Governmental Funds
	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total		
ASSETS							
Cash and cash equivalents	\$ 7,500	\$ 993	\$ -	\$ 39,841	\$ 48,334	\$ -	\$ 22,279,139
Investments	-	-	934,304	-	934,304	-	934,304
Accounts receivable	-	-	-	-	-	-	279,401
Assessment receivable	-	-	-	-	-	-	474,482
Due from other funds	-	-	-	-	-	(26,113)	9,101
Due from other governments	-	-	-	-	-	-	718,126
Inventory	-	-	-	-	-	-	48,771
Total Assets	\$ 7,500	\$ 993	\$ 934,304	\$ 39,841	\$ 982,638	\$ (26,113)	\$ 24,743,324
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,601,503
Accrued liabilities	-	-	-	-	-	-	1,133,989
Due to other funds	-	-	-	-	-	(26,113)	1,915,042
Due to other governments	-	-	-	-	-	-	4,348
Unearned revenue	-	-	-	-	-	-	272,683
Total liabilities	-	-	-	-	-	(26,113)	4,927,565
Deferred inflows of resources:							
Unavailable revenue - sewer use	-	-	-	-	-	-	28,421
Unavailable revenue - sewer assessments	-	-	-	-	-	-	474,482
Total deferred inflows of resources	-	-	-	-	-	-	502,903
Fund Balances:							
Nonspendable	7,500	993	934,304	39,841	982,638	-	1,031,409
Restricted	-	-	-	-	-	-	4,871,182
Committed	-	-	-	-	-	-	12,935,317
Assigned	-	-	-	-	-	-	475,328
Unassigned	-	-	-	-	-	-	(380)
Total fund balances	7,500	993	934,304	39,841	982,638	-	19,312,856
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,500	\$ 993	\$ 934,304	\$ 39,841	\$ 982,638	\$ (26,113)	\$ 24,743,324

**CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	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	Police Department Drug Forfeiture	Pine Lake Challenge Course
Revenues:										
Sewer assessments, interest and liens	\$	\$	\$	\$	\$	\$	\$ 1,730	\$	\$	\$
Licenses and permit			782,734					293,456		89,049
Intergovernmental		546,883	781,294	9,262,616	2,396,234	51,294			81,679	
Charges for services			200,032		788,835		6,947,653			
Investment earnings	7,507	4,949	5,192			1,847	16,872	1,211	694	241
Net appreciation in the fair market value of investments										
Contribution			990,751							
Miscellaneous			70,314						636	
Total revenues	<u>7,507</u>	<u>551,832</u>	<u>2,830,317</u>	<u>9,262,616</u>	<u>3,185,069</u>	<u>53,141</u>	<u>6,966,255</u>	<u>294,667</u>	<u>83,009</u>	<u>89,290</u>
Expenditures:										
General government	125,255	895,438	657,764							87,624
Public safety	779,657		271,029						70,747	
Public works	521,348		67,813				4,581,845	1,067,914		
Health and welfare		614,386	649,230							
Libraries			39,400							
Parks and recreation	29,040		170,405							
Education	56,725		906,268	9,262,616	3,157,994					
Total expenditures	<u>1,512,025</u>	<u>1,509,824</u>	<u>2,761,909</u>	<u>9,262,616</u>	<u>3,157,994</u>	<u>-</u>	<u>4,581,845</u>	<u>1,067,914</u>	<u>70,747</u>	<u>87,624</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,504,518)</u>	<u>(957,992)</u>	<u>68,408</u>	<u>-</u>	<u>27,075</u>	<u>53,141</u>	<u>2,384,410</u>	<u>(773,247)</u>	<u>12,262</u>	<u>1,666</u>
Other Financing Sources (Uses):										
Transfers in	1,186,495	600,175	101,740				11,500	461,245		
Transfers out	<u>(386,000)</u>						<u>(1,277,805)</u>			
Total other financing sources (uses)	<u>800,495</u>	<u>600,175</u>	<u>101,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,266,305)</u>	<u>461,245</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(704,023)	(357,817)	170,148	-	27,075	53,141	1,118,105	(312,002)	12,262	1,666
Fund Balance Beginning of Year	<u>4,333,175</u>	<u>2,595,587</u>	<u>2,168,534</u>	<u>(380)</u>	<u>50,501</u>	<u>803,059</u>	<u>5,648,507</u>	<u>596,242</u>	<u>285,537</u>	<u>131,045</u>
Fund Balance End of Year	<u>\$ 3,629,152</u>	<u>\$ 2,237,770</u>	<u>\$ 2,338,682</u>	<u>\$ (380)</u>	<u>\$ 77,576</u>	<u>\$ 856,200</u>	<u>\$ 6,766,612</u>	<u>\$ 284,240</u>	<u>\$ 297,799</u>	<u>\$ 132,711</u>

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**CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds							Reserve Fund for Depreciation for Page Park Swimming Pool	Total
	LOCIP Projects	Transfer Station	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2		
Revenues:									
Sewer assessments, interest and liens	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,730
Licenses and permit		51,010							1,216,249
Intergovernmental	432,735		2,727						13,555,462
Charges for services		337,930	332,020		21,600				8,628,070
Investment earnings	137	1,431	1,438	9	989	73		522	43,112
Net appreciation in the fair market value of investments									-
Contribution			116,713						1,107,464
Miscellaneous		404							71,354
Total revenues	<u>432,872</u>	<u>390,775</u>	<u>452,898</u>	<u>9</u>	<u>22,589</u>	<u>73</u>	<u>-</u>	<u>522</u>	<u>24,623,441</u>
Expenditures:									
General government					9,630				1,775,711
Public safety									1,121,433
Public works	468,943	693,432							7,401,295
Health and welfare									1,263,616
Libraries									39,400
Parks and recreation									199,445
Education			483,414						13,867,017
Total expenditures	<u>468,943</u>	<u>693,432</u>	<u>483,414</u>	<u>-</u>	<u>9,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,667,917</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(36,071)</u>	<u>(302,657)</u>	<u>(30,516)</u>	<u>-</u>	<u>12,959</u>	<u>73</u>	<u>-</u>	<u>522</u>	<u>(1,044,476)</u>
Other Financing Sources (Uses):									
Transfers in		316,820				8	7		2,677,990
Transfers out								(148,208)	(1,812,013)
Total other financing sources (uses)	<u>-</u>	<u>316,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>7</u>	<u>(148,208)</u>	<u>865,977</u>
Net Change in Fund Balances	(36,071)	14,163	(30,516)	9	12,959	81	7	(147,686)	(178,499)
Fund Balance Beginning of Year	<u>115,276</u>	<u>375,049</u>	<u>664,919</u>	<u>4,035</u>	<u>441,928</u>	<u>36,057</u>	<u>1,250</u>	<u>258,396</u>	<u>18,508,717</u>
Fund Balance End of Year	<u>\$ 79,205</u>	<u>\$ 389,212</u>	<u>\$ 634,403</u>	<u>\$ 4,044</u>	<u>\$ 454,887</u>	<u>\$ 36,138</u>	<u>\$ 1,257</u>	<u>\$ 110,710</u>	<u>\$ 18,330,218</u>

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**CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Permanent Funds				Total	Interfund Eliminations	Total Nonmajor Governmental Funds
	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust			
Revenues:							
Sewer assessments, interest and liens	\$	\$	\$	\$	\$ -	\$	\$ 1,730
Licenses and permit					-		1,216,249
Intergovernmental					-		13,555,462
Charges for services					-		8,628,070
Investment earnings	15	2	23,782	88	23,887		66,999
Net appreciation in the fair market value of investments			37,839		37,839		37,839
Contribution					-		1,107,464
Miscellaneous					-		71,354
Total revenues	<u>15</u>	<u>2</u>	<u>61,621</u>	<u>88</u>	<u>61,726</u>	<u>-</u>	<u>24,685,167</u>
Expenditures:							
General government					-		1,775,711
Public safety					-		1,121,433
Public works					-		7,401,295
Health and welfare					-		1,263,616
Libraries					-		39,400
Parks and recreation					-		199,445
Education					-		13,867,017
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,667,917</u>
Excess (Deficiency) of Revenues over Expenditures	<u>15</u>	<u>2</u>	<u>61,621</u>	<u>88</u>	<u>61,726</u>	<u>-</u>	<u>(982,750)</u>
Other Financing Sources (Uses):							
Transfers in					-	(15)	2,677,975
Transfers out	(15)		(2,039)		(2,054)	15	(1,814,052)
Total other financing sources (uses)	<u>(15)</u>	<u>-</u>	<u>(2,039)</u>	<u>-</u>	<u>(2,054)</u>	<u>-</u>	<u>863,923</u>
Net Change in Fund Balances	-	2	59,582	88	59,672	-	(118,827)
Fund Balance Beginning of Year	<u>7,500</u>	<u>991</u>	<u>874,722</u>	<u>39,753</u>	<u>922,966</u>	<u>-</u>	<u>19,431,683</u>
Fund Balance End of Year	<u>\$ 7,500</u>	<u>\$ 993</u>	<u>\$ 934,304</u>	<u>\$ 39,841</u>	<u>\$ 982,638</u>	<u>\$ -</u>	<u>\$ 19,312,856</u>



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).

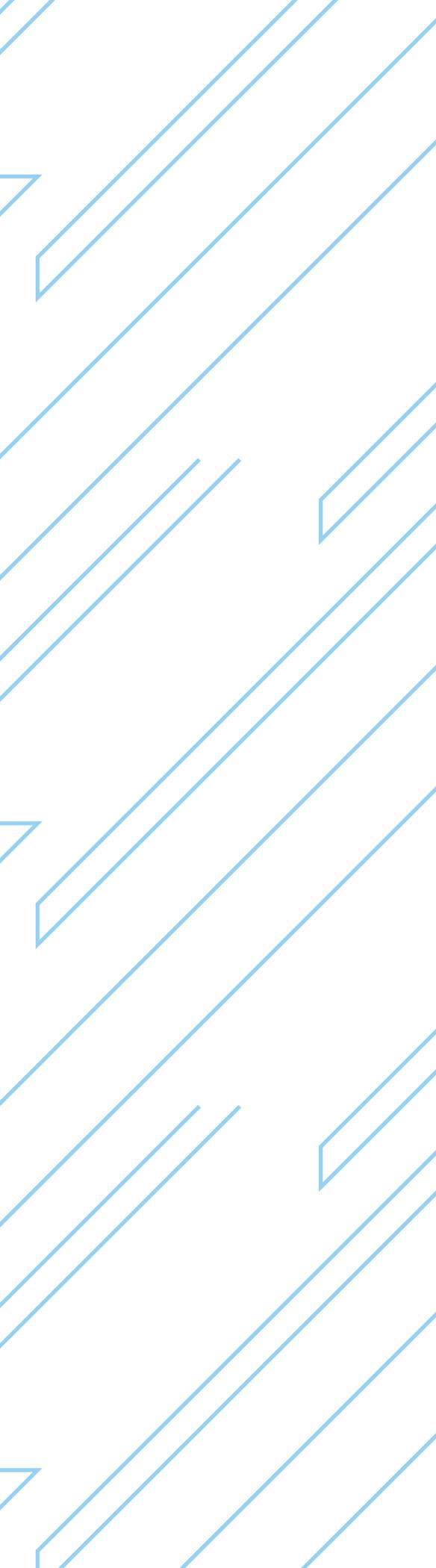
CITY OF BRISTOL, CONNECTICUT
 CAPITAL PROJECTS FUND
 SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS
 FOR THE YEAR ENDED JUNE 30, 2018
 (In Thousands)

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	\$	\$ 776	\$ 36
2007	BOE	Forestville K-8 School	44,510		44,521		44,521	(11)
2007	BOE	West Bristol K-8 School	42,461		42,344	119	42,463	(2)
2014	BOE	Northeast Middle School Roof	1,841		1,829		1,829	12
2015	BOE	Stafford School Oil Tank Replacement	160		164		164	(4)
2015	BOE	Edgewood School Oil Tank Replacement	160	1	159		159	1
2015	BOE	Bristol Central HS Track Replacement	750		672		672	78
2015	BOE	Bristol Eastern HS Press Box	84		83		83	1
2016	BOE	Hubbell Oil Tank Replacement	139	123	134		134	5
2016	BOE	Northeast Oil Tank Replacement	161	99	109		109	52
2016	BOE	Hubbell School Roof	2,108	138	1,646		1,646	462
2016	BOE	Early Childhood Playscapes	162		159		159	3
2016	BOE	General Improvements School Buildings	1,710	(14)	1,726		1,726	(16)
2017	BOE	BOE District Feasibility Study	60	54	64		64	(4)
2017	BOE	BOE Admin Tank Removal	20				-	20
2017	BOE	BEHS Tank Removal	48				-	48
2017	BOE	Chippens Hill Roof	2,910	1,855	2,537	6	2,543	367
2017	BOE	BCHS Tennis Courts	350	297	338	1	339	11
2017	BOE	BEHS Tennis Courts	405	384	398	1	399	6
2017	BOE	Greene Hills Geothermal Issues	100	78	101		101	(1)
2018	BOE	BCHS Heating Fuel Tank Replacement	193	5	5		5	188
2018	BOE	Memorial Blvd Arts Magnet School	54,890	15	15		15	54,875
2018	BOE	General Improv. School Buildings Grant	1,080	245	245	148	393	687
Total Schools - Fund 301			155,114	3,280	98,025	275	98,300	56,814
Capital Projects - Fund 302:								
	PW C.I.	Contingency-Bridge Control	328				-	328
2002	BDA	Downtown Revitalization Phase 1	3,675		3,627		3,627	48
2005	BDA	Downtown Revitalization Phase 2	7,688	11	7,665		7,665	23
2005	Parks&Rec.	Memorial Boulevard Parking Enhancements	150		121		121	29
2006	MIS	Fiberoptics	1,350	8	1,341		1,341	9
2007	PW Garage	Public Works Garage Rehabilitation	520	19	450		450	70
2007	PW Streets	Realignment-Union, South & Church Streets	490		419	25	444	46
2007	Police	City Traffic Control Signal Upgrade	458	26	427	1	428	30
2008	PW Streets	Citywide - Roadside Barrier	510		371	20	391	119
2008	Fire	E4 Architectural Study	6,000	84	5,913		5,913	87
2008	MIS	GIS System	590	20	536		536	54
2008	BDDC	Mall Demolition/Abatement	1,379	2	1,373		1,373	6
2010	Agging	Senior Center Utility Upgrades	4,741		4,698	10	4,708	33
2010	PW Streets	Richard Court Berm/Channel	592	4	65	10	75	517
2011	PW Solid Waste	Single Stream Recycling Program	1,300		1,295		1,295	5
2011	PW Major Bridge	Major Bridge Repairs	380		36		36	344
2012	PW Streets	Hillside Place Intersection Reconstruction	540	47	544		544	(4)
2013	MIS	Telephone System Replacement	1,100	42	1,012	21	1,033	67
2013	PW Engineering	Sediment Removal-Pequabuck	200				-	200
2013	PW Engineering	Pequabuck River-Flood Control Study	110				-	110
2014	Fire	Engine 5 Renovations	897		895		895	2
2014	Police	Traffic Sign Retroreflectivity	97	8	84		84	13
2014	PW	Louisiana Bridge Replacement	300	102	235	69	304	(4)
2014	PW Streets	Divinity St. Culvert	350	3	3		3	347
2014	PD Communic.	Radio Upgrade Project	6,674	3,924	6,671		6,671	3
2014	PW Streets	Union, South, Church Construction	2,205	8	1,886	100	1,986	219
2015	Public Works	ADA Projects	200		2		2	198
2015	Parks&Rec.	Memorial Blvd Bridge Replacement	240		45	196	241	(1)
2015	PW Streets	Munchausen & Bartholomew Reclam	310	76	126		126	184
2015	PW Streets	Mountain Rd Rock Face Stabilization	320	317	348	13	361	(41)
2015	PW Streets	Traffic Signal Video Detection Upgrade	528	359	369	59	428	100
2016	Parks&Rec.	Multi-Purpose Synthetic Fields	3,600	113	3,600		3,600	-
2016	PW Bridge	Down Street Bridge Replacement	320		90	178	268	52
2016	PW Bridge	Louisiana Bridge Replacement	2,400	19	19		19	2,381
2016	Parks&Rec.	Memorial Boulevard Restoration	153	17	153		153	-
2016	BDA	Planning/Reuse of Former mall	320	117	280	36	316	4
2017	PW Streets	Pavement Management Survey	58	51	51	7	58	-

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CITY OF BRISTOL, CONNECTICUT
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018
(In Thousands)

Fiscal Year	Dept.	Project Name	Amended Budget	Expended Current Year	Total All Years	Open Purchase Orders	Total Expended	Project Balance
2017	PW Streets	Reconstruction Curtiss, Zipp and Twining	520	278	278		278	242
2017	PW Streets	Traffic Signal Modifications	120				-	120
2017	PW Streets	Reconstruction Sharon, Dover and Warrer	380				-	380
2017	PW Streets	Reconstruction of Lexington Street	440			111	111	329
2017	PW Streets	Street Lighting Upgrade	2,200	1,777	1,777		1,777	423
2017	PW Streets	Willis St/East Rd Intersection Realignment	12	4	4		4	8
2017	PW Streets	Streetscape Improvements	200				-	200
2017	MIS	MUNIS Consolidation	60	8	8		8	52
2017	MIS	Tyler Content Management	140	11	103	27 \$	130 \$	10
2017	Parks&Rec.	Replace DMAC Boilers	200	73	75	53	128	72
2017	Fire	Replace Engine 7	550	263	540		540	10
2017	PW Streets	Cedar Hills Phase I	65				-	65
2017	BDA	Remediation of 273 Riverside Ave.	10	6	6	4	10	-
2017	BDA	894 Middle Street Remediation	1,339	63	126	243	369	970
2018	Fire	Apparatus Replacement	572	286	286	280	566	6
2018	City Clerk	Vault Expansion	15				-	15
2018	Parks&Rec.	Muzzy Field Movable Bleachers	200	95	95		95	105
2018	PW Streets	Centre Square Infrastructure	4,000	1,666	1,666	1,356	3,022	978
2018	PW Streets	Storm Drainage Shrub/Ferraro Rd.	340	103	103	117	220	120
2018	PW Streets	Railroad Crossing at Clark Ave.	150				-	150
2018	PW Streets	Brentwood Dr. Reconstruction	360	210	210		210	150
2018	PW Garage	Vincent P. Kelly Facility Renovations	330	2	2	2	4	326
2018	Police	Police/Court Chiller Replacement	120				-	120
2018	PW Admin	Lead Abatement City Hall	100				-	100
2018	Parks&Rec.	Page Park Pool Repairs	210	198	198	5	203	7
2018	Parks&Rec.	Survey Park St. & Muzzy St.	3	3	3		3	-
		Total Capital Projects - Fund 302	63,709	10,423	50,230	2,943	53,173	10,536
		Reserve for CNR - Fund 305:						
1991	CDBG	SE Mini-Industrial Park Project	5,048		4,966	10	4,976	72
1996	Landfill	Landfill Engineering Costs	1,181	8	934	1	935	246
2002	Landfill	Landfill BRRFOC	3,357		1,761		1,761	1,596
2006	Railroad	Railroad Spur Update	286		254		254	32
2007	Landfill	Landfill Damage	534	14	228	64	292	242
2008	Misc	Cemetery Restoration	31	2	28		28	3
2012	BOE	MUNIS Training	72		23	27	50	22
2012	Public Works	Broad St. Sediment	193		195		195	(2)
2012	Assessor	Revaluation	1,078	253	805	41	846	232
2013	Public Works	259 East Main St.	165		147		147	18
2014	Public Works	Frederick Street Properties	578		570		570	8
2017	Public Works	Railroad Bridge Rehab	220	104	164	52	216	4
2017	Misc	Cemetery Restoration Grant	1	1	1		1	-
2018	Misc	North Cemetery Granite Markers	2	2	2		2	-
		Total Reserve for CNR - Fund 305	12,746	384	10,078	195	10,273	2,473
		Capital and Nonrecurring Fund 126:						
1999	WPC	99 CIP I/I Phase I	3,245	85	3,245		3,245	-
2001	WPC	Infiltration/Inflow Phase II	3,356	89	3,356		3,356	-
2001	WPC	Infiltration/Inflow Phase III	3,258	90	3,258		3,258	-
2002	WPC	Infiltration/Inflow Phase IV	1,450	42	1,450		1,450	-
2002	WPC	Denitrification Phase I	1,061	28	1,061		1,061	-
2008	WPC	Broad St. Force Main Replacement	100		1		1	99
2009	WPC	Forestville Reduction Relief Force	4,884	105	4,883		4,883	1
2010	WPC	Broad Street Pump Station Upgrades	1,420		1,332		1,332	88
2011	WPC	Sewer System Rehab Broad St	1,526	38	1,388		1,388	138
2011	WPC	Phosphorus Removal Upgrade	18,443	1,181	14,540		14,540	3,903
2014	WPC	Blakeslee Street Sanitary Sewers	180		103		103	77
2016	WPC	WPC Facility Renovations	1,005	34	837		837	168
2016	WPC	Frederick Street Sanitary Sewer	529		530		530	(1)
2016	WPC	Munchausen and Bartholomew Streets	200	6	196		196	4
2017	WPC	Sewer Cleaning Truck	350	336	336		336	14
2017	WPC	Solids Storage Tank	150	94	116		116	34
2017	WPC	Sanitary Sewer	250				-	250
2018	WPC	Repair Treatment Tanks	200				-	200
2018	WPC	Manhole Rehabilitation	200				-	200
		Total Capital and Nonrecurring - Fund 126	41,807	2,128	36,632	-	36,632	5,175
		Total	\$ 273,376	\$ 16,215	\$ 194,965	\$ 3,413	\$ 198,378	\$ 74,998



Enterprise Funds

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.

**CITY OF BRISTOL, CONNECTICUT
WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017**

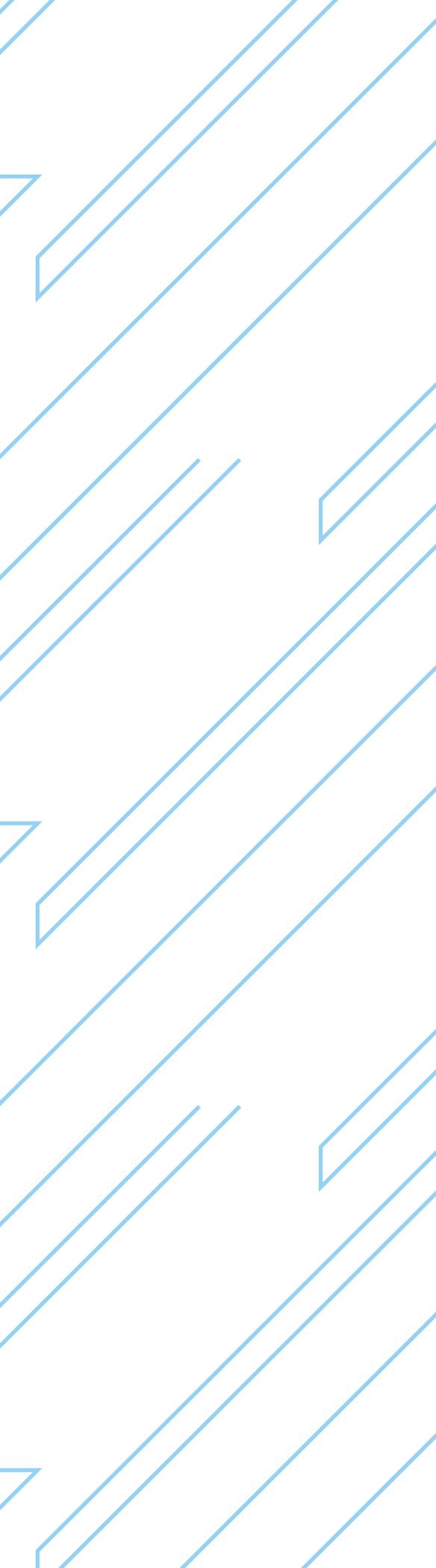
	<u>2018</u>	<u>2017</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 1,850,983	\$ 2,221,729
Investments	5,317,102	5,024,647
Receivables, net	1,414,752	1,328,736
Due from other funds		
Other assets	6,961	6,550
Inventories	258,397	252,496
Total current assets	<u>8,848,195</u>	<u>8,834,158</u>
Noncurrent:		
Net pension asset	9,278,021	8,009,897
Capital assets:		
Assets not being depreciated	3,886,704	3,857,351
Assets being depreciated, net	19,231,918	19,242,749
Total noncurrent assets	<u>32,396,643</u>	<u>31,109,997</u>
Total assets	<u>41,244,838</u>	<u>39,944,155</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	92,966	86,237
Deferred outflows related to pension	209,399	
Deferred outflows related to OPEB	25,259	
Total deferred outflows of resources	<u>327,624</u>	<u>86,237</u>
Liabilities:		
Current:		
Accounts and other payables	539,096	647,080
Payroll liabilities	95,938	37,020
Customer deposits	70,965	43,164
Compensated absences - current	48,841	52,002
Bonds payable - current	258,000	308,473
Notes payable - current	37,256	36,518
Total current liabilities	<u>1,050,096</u>	<u>1,124,257</u>
Noncurrent:		
Compensated absences	313,407	288,652
Bonds payable	1,587,762	1,828,224
Notes payable	658,423	695,679
Net OPEB liability	3,628,979	3,599,177
Total noncurrent liabilities	<u>6,188,571</u>	<u>6,411,732</u>
Total liabilities	<u>7,238,667</u>	<u>7,535,989</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	691,488	
Net Position:		
Net investment in capital assets	20,577,181	20,231,206
Restricted for pensions	9,278,021	8,009,897
Unrestricted	3,787,105	4,253,300
Total Net Position	<u>\$ 33,642,307</u>	<u>\$ 32,494,403</u>

**CITY OF BRISTOL, CONNECTICUT
WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Revenues:		
Charges for services	\$ 7,078,318	\$ 7,400,437
Miscellaneous operating revenue	422,192	419,608
Total operating revenues	<u>7,500,510</u>	<u>7,820,045</u>
Operating Expenses:		
Source of supply	241,077	191,346
Pumping	254,304	261,124
Purification	947,127	912,314
Transmission and distribution	1,144,342	2,138,031
Customer accounts, administrative and general	2,430,106	2,116,528
Depreciation	1,061,720	1,115,938
Taxes other than income taxes	506,148	466,978
Total operating expenses	<u>6,584,824</u>	<u>7,202,259</u>
Operating Income	<u>915,686</u>	<u>617,786</u>
Nonoperating Revenues (Expenses):		
Income on investments	306,518	527,135
Interest expense	(86,964)	(101,443)
Amortization of debt discount and expense	16,177	11,184
Bond Issuance Costs	(3,513)	
Total nonoperating revenues (expenses)	<u>232,218</u>	<u>436,876</u>
Change in Net Position	1,147,904	1,054,662
Net Position at Beginning of Year, as Restated	<u>32,494,403</u>	<u>31,439,741</u>
Net Position at End of Year	<u>\$ 33,642,307</u>	<u>\$ 32,494,403</u>

**CITY OF BRISTOL
WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Cash received from charges for services	\$ 7,414,494	\$ 7,890,009
Cash paid to employees	(3,042,180)	(2,102,671)
Cash paid to suppliers	(3,296,200)	(3,880,659)
Deposits paid back to customers	27,801	
Net cash provided by operating activities	<u>1,103,915</u>	<u>1,906,679</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets/utility plant	(1,112,685)	(714,075)
Loss on disposal of asset	22,037	
Principal payments bonds/notes	(321,518)	(539,269)
Interest payments and issuance costs	(76,558)	(73,970)
Net cash used in capital and related financing activities	<u>(1,488,724)</u>	<u>(1,327,314)</u>
Cash Flows from Investing Activities:		
Income on investments	<u>14,063</u>	<u>5,105</u>
Net Increase in Cash and Cash Equivalents	(370,746)	584,470
Cash and Cash Equivalents at Beginning of Year	<u>2,221,729</u>	<u>1,637,259</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,850,983</u>	<u>\$ 2,221,729</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ <u>915,686</u>	\$ <u>617,786</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,061,720	1,115,938
(Increase) decrease in customer accounts receivable	(86,016)	123,039
(Increase) decrease in inventory	(5,901)	(6,795)
(Increase) decrease in other assets	(411)	(2,548)
(Increase) decrease in net pension asset	(1,268,124)	
(Increase) decrease in deferred outflows	(234,658)	
Increase (decrease) in accounts payable	(107,984)	95,929
Increase (decrease) in payroll liabilities	58,918	(14,732)
Increase (decrease) in accrued compensated absences	21,594	28,589
Increase (decrease) in customer deposits	27,801	(50,527)
Increase (decrease) in net OPEB liability	29,802	
Increase (decrease) in deferred inflows	691,488	
Total adjustments	<u>188,229</u>	<u>1,288,893</u>
Net Cash Provided by Operating Activities	<u>\$ 1,103,915</u>	<u>\$ 1,906,679</u>



Internal Service Funds

INTERNAL SERVICE 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 an insurance program health benefits and workmen's compensation claims.

**CITY OF BRISTOL, CONNECTICUT
INTERNAL SERVICE FUNDS
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017**

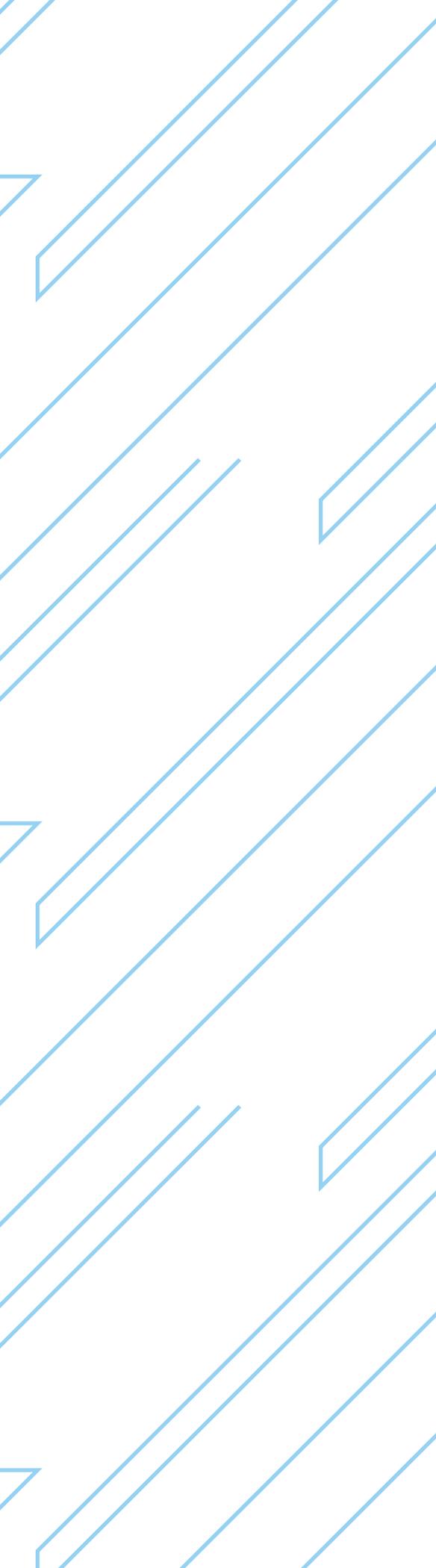
	<u>2018</u>	<u>2017</u>
Assets:		
Cash and cash equivalents	\$ 25,804,525	\$ 27,845,729
Accounts receivable	49,486	62,046
Due from other funds	<u>1,282,174</u>	<u>946,500</u>
Total assets	<u>27,136,185</u>	<u>28,854,275</u>
Liabilities:		
Accounts payable	972,563	487,408
Unpaid claims	10,594,781	11,832,599
Unearned revenues	<u>38,685</u>	<u>82,789</u>
Total liabilities	<u>11,606,029</u>	<u>12,402,796</u>
Net Position:		
Unrestricted	<u>\$ 15,530,156</u>	<u>\$ 16,451,479</u>

**CITY OF BRISTOL, CONNECTICUT
INTERNAL SERVICE FUNDS
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Charges for services	\$ 37,060,933	\$ 39,522,759
Contributions	81,734	22,866
Other	800,913	165,307
Total operating revenues	<u>37,943,580</u>	<u>39,710,932</u>
Operating expenses:		
Insurance claims, premiums and fees	<u>38,925,837</u>	<u>36,163,680</u>
Operating income (loss)	(982,257)	3,547,252
Nonoperating revenues:		
Income on investments	<u>60,934</u>	<u>47,332</u>
Change in Net Position	(921,323)	3,594,584
Net Position at Beginning of Year	<u>16,451,479</u>	<u>12,856,895</u>
Net Position at End of Year	<u>\$ 15,530,156</u>	<u>\$ 16,451,479</u>

**CITY OF BRISTOL, CONNECTICUT
INTERNAL SERVICE FUNDS
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Cash received from charges for services	\$ 37,073,493	\$ 39,675,737
Cash received from other operating revenue	838,543	188,173
Cash payments for claims paid	(39,678,500)	(36,165,287)
Cash for interfund services used	(335,674)	
Net cash provided (used) in operating activities	<u>(2,102,138)</u>	<u>3,698,623</u>
Cash Flows from Investing Activities:		
Interest income	<u>60,934</u>	<u>47,332</u>
Net Increase in Cash and Cash Equivalents	(2,041,204)	3,745,955
Cash and Cash Equivalents at Beginning of Year	<u>27,845,729</u>	<u>24,099,774</u>
Cash and Cash Equivalents at End of Year	<u>\$ 25,804,525</u>	<u>\$ 27,845,729</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating income (loss)	\$ <u>(982,257)</u>	\$ <u>3,547,252</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
(Increase) decrease in accounts receivable	12,560	(59,010)
(Increase) decrease in due from other funds	(335,674)	211,988
Increase (decrease) in accounts payable	485,155	478,022
Increase (decrease) in unpaid claims	(1,237,818)	(468,396)
Increase (decrease) in unearned revenues	(44,104)	(11,233)
Total adjustments	<u>(1,119,881)</u>	<u>151,371</u>
Net Cash Used in Operating Activities	<u>\$ (2,102,138)</u>	<u>\$ 3,698,623</u>



Fiduciary Funds

FIDUCIARY FUNDS

Pension Trust Fund

City of Bristol Retirement System Fund - 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' 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 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.

**CITY OF BRISTOL, CONNECTICUT
PENSION TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017**

	Pension Trust Fund	OPEB Trust Fund	Totals	
			2018	2017
ASSETS				
Cash and cash equivalents	\$ 10,959,934	\$ 955,187	\$ 11,915,121	\$ 15,193,697
Investments	<u>636,265,979</u>	<u>8,971,200</u>	<u>645,237,179</u>	<u>601,319,346</u>
Total Assets	<u>647,225,913</u>	<u>9,926,387</u>	<u>657,152,300</u>	<u>616,513,043</u>
LIABILITIES				
Vouchers payable	<u>54,357</u>		<u>54,357</u>	<u>21,279</u>
Net Position				
Held in trust for pension benefits	647,171,556		647,171,556	608,364,860
Held in trust for OPEB		<u>9,926,387</u>	<u>9,926,387</u>	<u>8,126,904</u>
Total Net Position	<u>\$ 647,171,556</u>	<u>\$ 9,926,387</u>	<u>\$ 657,097,943</u>	<u>\$ 616,491,764</u>

**CITY OF BRISTOL, CONNECTICUT
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017**

	Pension		OPEB		Totals	
	Trust Fund	Trust Fund	Trust Fund	Trust Fund	2018	2017
Additions:						
Contributions:						
Employer	\$ 2,617,369	\$ 5,801,097	\$ 8,418,466	\$ 2,564,936		
Plan members	2,781,706	56,308	2,838,014	2,708,908		
Total contributions	<u>5,399,075</u>	<u>5,857,405</u>	<u>11,256,480</u>	<u>5,273,844</u>		
Investment income:						
Net appreciation in fair value of investments	54,930,128	247,134	55,177,262	64,057,611		
Interest and dividends	7,138,617	165,297	7,303,914	7,474,701		
	<u>62,068,745</u>	<u>412,431</u>	<u>62,481,176</u>	<u>71,532,312</u>		
Less investment expense	<u>(4,225,204)</u>	<u>(31,911)</u>	<u>(4,257,115)</u>	<u>(455,506)</u>		
Net investment income	<u>57,843,541</u>	<u>380,520</u>	<u>58,224,061</u>	<u>71,076,806</u>		
Total additions	<u>63,242,616</u>	<u>6,237,925</u>	<u>69,480,541</u>	<u>76,350,650</u>		
Deductions:						
Benefits	24,245,472	4,438,442	28,683,914	23,261,690		
Administration	190,448		190,448	3,683,408		
Total deductions	<u>24,435,920</u>	<u>4,438,442</u>	<u>28,874,362</u>	<u>26,945,098</u>		
Net Change	38,806,696	1,799,483	40,606,179	49,405,552		
Net Position Held in Trust for Pension and OPEB Benefits at July 1	<u>608,364,860</u>	<u>8,126,904</u>	<u>616,491,764</u>	<u>567,086,212</u>		
Net Position Held in Trust for Pension and OPEB Benefits at June 30	<u>\$ 647,171,556</u>	<u>\$ 9,926,387</u>	<u>\$ 657,097,943</u>	<u>\$ 616,491,764</u>		

**CITY OF BRISTOL, CONNECTICUT
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Senior Citizens Activity Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 93,951	\$ 222,137	193,898	\$ 122,190
LIABILITIES				
Accounts payable	\$ 1,141	\$ 157,620	\$ 158,617	\$ 144
Due to senior citizens	92,810	64,517	35,281	122,046
Total	\$ 93,951	\$ 222,137	\$ 193,898	\$ 122,190
<u>School Activity Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 676,746	\$ 1,198,473	\$ 1,175,337	\$ 699,882
Investments	135,827	244	59,406	76,665
Total	\$ 812,573	\$ 1,198,717	\$ 1,234,743	\$ 776,547
LIABILITIES				
Due to student groups	\$ 812,573	\$ 1,198,717	\$ 1,234,743	\$ 776,547
<u>Total Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 770,697	\$ 1,420,610	\$ 1,369,235	\$ 822,072
Investments	135,827	244	59,406	76,665
Total	\$ 906,524	\$ 1,420,854	\$ 1,428,641	\$ 898,737
LIABILITIES				
Accounts payable	\$ 1,141	\$ 157,620	\$ 158,617	\$ 144
Due to senior citizens	92,810	64,517	35,281	122,046
Due to student groups	812,573	1,198,717	1,234,743	776,547
Total	\$ 906,524	\$ 1,420,854	\$ 1,428,641	\$ 898,737

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

**CITY OF BRISTOL, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 266,282,611	\$ 257,933,889	\$ 268,588,824	\$ 261,086,435	\$ 256,306,000	\$ 251,935,000	\$ 226,701,000	\$ 179,772,000	\$ 206,272,000	\$ 201,557,000
Restricted	202,388,179	198,936,006	179,606,533	1,109,796	1,095,000	1,004,000	930,000	752,000	655,000	557,000
Unrestricted	34,221,754	73,469,419	81,904,688	275,282,127	36,201,000	30,900,000	46,977,000	61,786,000	27,173,000	36,804,000
Total Governmental Activities Net Position	<u>\$ 502,892,544</u>	<u>\$ 530,339,314</u>	<u>\$ 530,100,045</u>	<u>\$ 537,478,358</u>	<u>\$ 293,602,000</u>	<u>\$ 283,839,000</u>	<u>\$ 274,608,000</u>	<u>\$ 242,310,000</u>	<u>\$ 234,100,000</u>	<u>\$ 238,918,000</u>
Business-type activities:										
Net investment in capital assets	\$ 20,577,181	\$ 20,317,443	\$ 20,196,326	\$ 20,654,635	\$ 20,910,000	\$ 20,027,000	\$ 19,971,000	\$ 19,706,000	\$ 20,667,000	\$ 20,592,000
Unrestricted	3,787,105	7,766,240	6,832,695	6,528,889	5,494,000	5,377,000	4,810,000	5,314,000	3,598,000	3,729,000
Total Business-type Activities Net Position	<u>\$ 24,364,286</u>	<u>\$ 28,083,683</u>	<u>\$ 27,029,021</u>	<u>\$ 27,183,524</u>	<u>\$ 26,404,000</u>	<u>\$ 25,404,000</u>	<u>\$ 24,781,000</u>	<u>\$ 25,020,000</u>	<u>\$ 24,265,000</u>	<u>\$ 24,321,000</u>
Primary government:										
Net investment in capital assets	\$ 286,859,792	\$ 278,251,332	\$ 288,785,150	\$ 281,741,070	\$ 277,216,000	\$ 271,962,000	\$ 246,672,000	\$ 199,478,000	\$ 226,939,000	\$ 222,149,000
Restricted	202,388,179	198,936,006	179,606,533	1,109,796	1,095,000	1,004	930,000	752,000	655,000	557,000
Unrestricted	38,008,859	81,235,659	88,737,383	281,811,016	41,695,000	36,277,000	51,787,000	67,100,000	30,771,000	40,533,000
Total Primary Government Net Position	<u>\$ 527,256,830</u>	<u>\$ 558,422,997</u>	<u>\$ 557,129,066</u>	<u>\$ 564,661,882</u>	<u>\$ 320,006,000</u>	<u>\$ 308,240,004</u>	<u>\$ 299,389,000</u>	<u>\$ 267,330,000</u>	<u>\$ 258,365,000</u>	<u>\$ 263,239,000</u>

Notes:

Schedule prepared on the accrual basis of accounting

**CITY OF BRISTOL, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 12,194,227	\$ 21,518,842	\$ 20,970,806	\$ 15,826,836	\$ 10,867,000	\$ 12,352,000	\$ 12,567,000	\$ 12,549,000	\$ 14,433,000	\$ 14,551,000
Public safety	37,443,005	31,225,680	33,028,169	25,983,268	31,240,000	31,136,000	30,704,000	31,719,000	31,548,000	29,854,000
Public works	28,720,300	27,755,308	33,358,035	28,439,401	27,337,000	25,065,000	31,689,000	25,183,000	24,696,000	28,190,000
Health and welfare	8,566,460	8,472,561	8,749,471	8,536,374	6,705,000	7,243,000	6,003,000	6,327,000	5,656,000	6,445,000
Libraries	3,250,406	3,111,382	3,232,404	3,443,583	2,902,000	3,032,000	3,121,000	2,739,000	2,651,000	2,933,000
Parks and recreation	3,617,439	3,526,465	3,744,334	3,420,506	3,344,000	3,345,000	3,926,000	3,201,000	2,972,000	3,032,000
Education	164,662,832	152,095,342	142,696,114	136,084,395	132,972,000	128,708,000	133,432,000	123,128,000	122,597,000	122,846,000
Interest on long-term debt	2,568,739	1,714,198	2,093,677	2,306,348	2,574,000	3,041,000	2,070,000	2,830,000	2,246,000	2,063,000
Total Governmental Activities Expenses	261,023,408	249,419,778	247,873,010	224,040,711	217,941,000	213,922,000	223,512,000	207,676,000	206,799,000	209,914,000
Business-type activities:										
Water	6,659,124	7,292,518	7,585,568	7,267,743	6,909,000	7,066,000	6,775,000	6,529,000	6,208,000	6,458,000
Total primary government expenses	267,682,532	256,712,296	255,458,578	231,308,454	224,850,000	220,988,000	230,287,000	214,205,000	213,007,000	216,372,000
Program revenues:										
Governmental activities:										
Charges for services:										
General government	2,328,207	1,335,428	1,310,578	1,756,430	2,389,000	2,151,000	2,114,000	2,310,000	2,481,000	2,367,000
Public works	7,983,155	10,809,801	9,888,737	7,991,234	8,573,000	7,380,000	7,263,000	7,138,000	6,582,000	6,710,000
Education	1,120,855	1,198,646	1,308,475	1,464,302	1,324,000	1,405,000	1,850,000	1,903,000	2,132,000	2,077,000
Other	4,351,725	2,430,930	2,064,396	1,774,339	2,457,000	1,839,000	2,693,000	2,431,000	2,492,000	2,296,000
Operating grants and contributions	93,600,969	84,993,707	79,078,101	76,414,293	76,664,000	69,848,000	73,300,000	69,468,000	68,554,000	67,428,000
Capital grants and contributions	2,136,579	4,213,374	7,648,148	2,735,539	4,950,000	8,696,000	42,600,000	10,704,000	4,014,000	2,896,000
Total Governmental Activities Program Revenues	111,521,490	104,981,886	101,298,435	92,136,137	96,357,000	91,319,000	129,820,000	93,954,000	86,255,000	83,774,000
Business-type activities:										
Charges for services	7,500,510	7,820,045	7,431,065	7,344,944	7,207,000	7,259,000	6,838,000	6,327,000	5,668,000	5,393,000
Capital grants and contributions					28,000	25,000	27,000	8,000	33,000	30,000
Total business-type activities program revenues	7,500,510	7,820,045	7,431,065	7,344,944	7,235,000	7,284,000	6,865,000	6,335,000	5,701,000	5,423,000
Total primary government program revenues	119,022,000	112,801,931	108,729,500	99,481,081	103,592,000	98,603,000	136,685,000	100,289,000	91,956,000	89,197,000

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net revenue (expense):										
Governmental activities	\$ (149,501,918)	\$ (144,437,892)	\$ (146,574,575)	\$ (131,904,574)	\$ (121,584,000)	\$ (122,603,000)	\$ (93,692,000)	\$ (113,722,000)	\$ (120,544,000)	\$ (126,140,000)
Business-type activities	841,386	527,527	(154,503)	77,201	326,000	218,000	90,000	(194,000)	(507,000)	(1,035,000)
Total primary government net expense	<u>(148,660,532)</u>	<u>(143,910,365)</u>	<u>(146,729,078)</u>	<u>(131,827,373)</u>	<u>(121,258,000)</u>	<u>(122,385,000)</u>	<u>(93,602,000)</u>	<u>(113,916,000)</u>	<u>(121,051,000)</u>	<u>(127,175,000)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	140,813,458	142,203,594	134,464,509	134,240,052	128,534,000	125,518,000	117,982,000	117,274,000	110,752,000	111,163,000
Grants and contributions not restricted to specific purposes	422,149	565,492	600,091	592,457	2,231,000	5,199,000	7,504,000	4,354,000	4,553,000	5,421,000
Unrestricted investment earnings	1,125,319	583,170	444,898	369,645	420,000	347,000	354,000	302,000	396,000	1,332,000
Other general revenues	78,465	1,324,905	3,686,764	3,260,140	172,000	77,000	150,000	2,000	25,000	82,000
Total governmental activities	<u>142,439,391</u>	<u>144,677,161</u>	<u>139,196,262</u>	<u>138,462,294</u>	<u>131,357,000</u>	<u>131,141,000</u>	<u>125,990,000</u>	<u>121,932,000</u>	<u>115,726,000</u>	<u>117,998,000</u>
Business-type activities:										
Unrestricted investment earnings	306,518	583,170	444,898	1,110,305	674,000	405,000	(329,000)	949,000	451,000	661,000
Total primary government	<u>142,745,909</u>	<u>145,260,331</u>	<u>139,641,160</u>	<u>139,572,599</u>	<u>132,031,000</u>	<u>131,546,000</u>	<u>125,661,000</u>	<u>122,881,000</u>	<u>116,177,000</u>	<u>118,659,000</u>
Changes in net position:										
Governmental activities	(7,062,527)	239,269	(7,378,313)	6,557,720	9,773,000	8,538,000	32,298,000	8,210,000	(4,818,000)	(8,142,000)
Business-type activities	1,147,904	1,110,697	290,395	1,187,506	1,000,000	623,000	(239,000)	755,000	(56,000)	(374,000)
Total Primary Government	<u>\$ (5,914,623)</u>	<u>\$ 1,349,966</u>	<u>\$ (7,087,918)</u>	<u>\$ 7,745,226</u>	<u>\$ 10,773,000</u>	<u>\$ 9,161,000</u>	<u>\$ 32,059,000</u>	<u>\$ 8,965,000</u>	<u>\$ (4,874,000)</u>	<u>\$ (8,516,000)</u>

Note:

Schedule prepared on the accrual basis of accounting

**CITY OF BRISTOL, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 749,000	\$ 998,000
Unreserved									27,323,000	26,853,000
Nonspendable	5,457		8,817	588	2,000	3,000	2,000	1,000		
Committed	3,085,523	3,093,837	3,064,919	3,057,414	3,856,000	3,835,000	3,848,000	4,975,000		
Assigned	6,367,646	7,884,336	4,345,929	2,053,023	1,113,000	2,112,000	1,617,000	2,008,000		
Unassigned	28,341,862	27,795,244	28,737,167	26,605,958	25,955,000	24,149,000	23,963,000	21,444,000		
Total General Fund	\$ <u>37,800,488</u>	\$ <u>38,773,417</u>	\$ <u>36,156,832</u>	\$ <u>31,716,983</u>	\$ <u>30,926,000</u>	\$ <u>30,099,000</u>	\$ <u>29,430,000</u>	\$ <u>28,428,000</u>	\$ <u>28,072,000</u>	\$ <u>27,851,000</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 15,611,000	\$ 5,409,000
Unreserved, reported in:										
Special revenue funds									8,726,000	8,301,000
Capital projects funds									(22,123,000)	(6,289,000)
Permanent funds									419,000	375,000
Nonspendable	1,031,409	971,523	923,563	866,420	834,000	766,000	690,000	540,000		
Restricted	6,606,917	6,038,897	5,549,614	6,008,399	5,301,000	3,068,000	4,004,000	3,339,000		
Committed	22,305,699	17,468,414	16,472,513	18,074,519	17,696,000	19,134,000	28,171,000	34,916,000		
Assigned	475,328	444,120	152,698	108,028	59,000	-	120,000	73,000		
Unassigned	(18,875,612)	(4,517,238)	(15,716,865)	(11,783,622)	(8,576,000)	(7,421,000)	(5,533,000)	(512,000)		
Total all Other Governmental Funds	\$ <u>11,543,741</u>	\$ <u>20,405,716</u>	\$ <u>7,381,523</u>	\$ <u>13,273,744</u>	\$ <u>15,314,000</u>	\$ <u>15,547,000</u>	\$ <u>27,452,000</u>	\$ <u>38,356,000</u>	\$ <u>2,633,000</u>	\$ <u>7,796,000</u>

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

TABLE 4

**CITY OF BRISTOL, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Taxes and assessments	\$ 140,126,003	\$ 140,319,168	\$ 133,131,825	\$ 132,661,254	\$ 126,878,000	\$ 124,646,000	\$ 116,805,000	\$ 116,771,000	\$ 110,803,000	\$ 110,097,000
Interest and lien fees on delinquent taxes and assessments	897,504	1,138,474	920,530	953,500	904,000	1,024,000	750,000	927,000	1,073,000	1,087,000
Licenses, permit and fees	3,200,495	3,514,973	3,334,376	2,321,204	7,141,000	6,971,000	7,397,000	6,983,000	6,184,000	6,241,000
Intergovernmental	96,139,958	90,125,552	86,380,385	82,155,003	82,123,000	82,065,000	122,110,000	83,270,000	75,924,000	74,737,000
Charges for services	12,675,555	12,150,217	11,225,218	10,889,718	6,512,000	5,557,000	6,222,000	6,337,000	7,314,000	6,834,000
Income on investments	1,064,385	1,640,414	1,811,405	1,670,515	394,000	318,000	318,000	264,000	347,000	1,206,000
Miscellaneous	1,557,244	1,002,407	3,266,211	2,718,572	2,746,000	2,935,000	2,018,000	1,895,000	1,706,000	1,724,000
Total revenues	255,661,144	249,891,205	240,069,950	233,369,766	226,698,000	223,516,000	255,620,000	216,447,000	203,351,000	201,926,000
Expenditures:										
General government	7,995,194	8,439,181	7,766,024	6,898,392	6,952,000	7,192,000	7,119,000	6,820,000	7,294,000	7,264,000
Public safety	26,427,386	23,840,668	23,926,373	24,357,911	22,730,000	22,336,000	21,610,000	22,250,000	21,799,000	21,181,000
Public works	23,123,025	20,220,458	19,801,976	20,356,499	20,363,000	18,806,000	22,437,000	17,804,000	17,111,000	21,280,000
Health and welfare	7,580,466	7,181,226	8,078,721	7,997,968	6,516,000	6,037,000	6,099,000	6,095,000	5,488,000	6,265,000
Libraries	2,229,117	2,103,567	2,299,115	2,168,546	2,020,000	2,016,000	2,306,000	1,976,000	1,981,000	1,969,000
Parks and recreation	2,711,177	2,672,162	2,981,876	2,539,006	2,375,000	2,495,000	2,822,000	2,433,000	2,396,000	2,487,000
Education	139,117,475	128,956,258	120,645,180	118,488,322	114,144,000	107,414,000	111,168,000	106,565,000	106,740,000	105,358,000
Citywide:										
Employee benefits and pensions	4,468,966	4,283,364	3,631,894	3,107,573	3,719,000	3,349,000	3,898,000	4,393,000	2,637,000	2,702,000
Insurance	27,489,483	30,044,634	27,289,295	30,653,291	820,000	586,000	967,000	465,000	589,000	681,000
Miscellaneous	514,065	655,417	541,457	768,352	379,000	946,000	514,000	1,352,000	792,000	758,000
Capital outlay	15,828,191	23,510,905	18,507,685	8,324,692	7,569,000	27,462,000	55,434,000	19,760,000	10,521,000	15,309,000
Debt service:										
Principal retirement	6,671,856	6,488,840	6,511,853	6,472,551	6,556,000	6,645,000	4,545,000	4,575,000	4,570,000	4,935,000
Interest and fiscal charges	2,823,726	2,168,699	2,372,010	2,486,904	2,738,000	3,191,000	2,620,000	2,002,000	2,292,000	2,009,000
Total expenditures	266,980,127	260,565,379	244,353,459	234,620,007	196,881,000	208,475,000	241,539,000	196,490,000	184,210,000	192,198,000
Excess of revenue over expenditures	(11,318,983)	(10,674,174)	(4,283,509)	(1,250,241)	29,817,000	15,041,000	14,081,000	19,957,000	19,141,000	9,728,000
Other financing sources (uses):										
Transfers in	14,437,994	16,806,271	16,366,913	19,514,255	19,653,000	20,660,000	14,946,000	12,665,000	13,797,000	14,150,000
Transfers out	(14,437,994)	(16,806,271)	(16,366,913)	(19,514,255)	(48,876,000)	(46,937,000)	(39,124,000)	(37,217,000)	(37,620,000)	(36,165,000)
Issuance of capital leases										8,900,000
General obligation bonds issued	1,284,772	25,283,007	2,724,099					39,587,000		
Refunding bonds issued	24,932,000		7,117,000				21,823,000			
Premium on bonds issued	3,480,639	1,031,945	488,252				2,932,000	1,096,000		66,000
Payment to refunded bond escrow agent	(28,213,332)		(7,498,214)				(24,569,000)			
Total other financing sources (uses)	1,484,079	26,314,952	2,831,137	-	(29,223,000)	(26,277,000)	(23,992,000)	16,131,000	(23,823,000)	(13,049,000)
Net Changes in Fund Balances	\$ (9,834,904)	\$ 15,640,778	\$ (1,452,372)	\$ (1,250,241)	\$ 594,000	\$ (11,236,000)	\$ (9,911,000)	\$ 36,088,000	\$ (4,682,000)	\$ (3,321,000)
Debt Service as a Percentage of Noncapital Expenditures	3.9%	3.7%	4.0%	4.0%	5.0%	5.5%	3.9%	3.8%	4.0%	4.0%

Note: Schedule prepared on the modified accrual basis of accounting

**CITY OF BRISTOL, CONNECTICUT
 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)
2018 (3)	\$ 2,512,250,000	\$ 519,547,000	\$ 211,320,000	\$ 552,840,000	\$ 384,119,000	\$ 288,658,000	\$ 3,917,618,000	36.88%	\$ 5,596,597,000	70%
2017	2,536,960,000	499,284,000	217,415,000	564,534,000	386,173,000	292,906,000	3,911,460,000	36.03%	5,587,800,000	70%
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 (3)	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	3,041,932,000	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%

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

TABLE 6

**CITY OF BRISTOL, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS - UNAUDITED
2016 AND 2007**

Taxpayer	October 1, 2016			October 1, 2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ESPN	\$ 222,486,000	1	5.69%	\$ 245,361,000	1	5.60%
Connecticut Light & Power	57,088,000	2	1.46%	28,077,000	3	0.60%
Covanta	45,227,000	3	1.16%	42,762,000	2	1.00%
Bristol Center LLC	32,775,000	4	0.84%			0.00%
Federal Realty Investment Trust	22,177,000	5	0.57%	22,640,000	6	0.50%
Bristol Sports Dst	20,791,000	6	0.53%			0.00%
Festival Fun Parks	20,659,000	7	0.53%	18,163,000	7	0.40%
Carpenter Realty	19,548,000	8	0.50%	24,572,000	5	0.60%
Yankee Gas Service Co.	15,682,000	9	0.40%			0.00%
D'Amato Construction/Affiliated LLCs	15,410,000	10	0.39%			0.00%
Theis Precision Steel			0.00%	15,718,000	9	0.40%
Barnes Group			0.00%	13,268,000	10	0.30%
Bristol Industrial Partners				27,618,000	4	0.60%
Kalimian, Elias				17,576,000	8	0.40%
Total	\$ 471,843,000		12.07%	\$ 455,755,000		10.40%

October 1, 2016 Assessment

October 1, 2007 Assessment

Source: City of Bristol, Office of Tax Assessor

**CITY OF BRISTOL, CONNECTICUT
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
2018	36.03%	\$ 140,596,000	\$ 138,673,000	98.63%	\$ -	\$ 138,673,000	98.63%
2017	36.03%	140,245,000	138,734,000	98.92%	1,238,000	139,972,000	99.81%
2016	34.61%	133,581,000	131,820,000	98.68%	1,320,000	133,140,000	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%

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

**CITY OF BRISTOL, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE - UNAUDITED
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities Water	Total Primary Government	Ratio of Debt to Estimated Taxable Assessed Value	Debt Per Capita	Total Debt Outstanding as a Percentage of Personal Income
2018	\$ 77,879,840	\$ 2,541,439	\$ 80,421,279	2.05%	\$ 1,337	0.04%
2017	82,569,714	2,868,894	85,438,608	2.18%	1,413	0.04%
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%

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

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF DEBT LIMITATION - UNAUDITED
JUNE 30, 2018**

Total Fiscal Year 2017 tax collections (taxes, interest and fees)	\$ 141,428,000
Tax Relief for the Elderly - Freeze	<u>2,000</u>
Base for establishing debt limit	<u>\$ 141,430,000</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>	<u>Total</u>
Debt Limitation:						
2 1/4 times base	\$ 318,217,500					\$ 318,217,500
4 1/2 times base		636,435,000				636,435,000
3 3/4 times base			530,362,500			530,362,500
3 1/4 times base				459,647,500		459,647,500
3 times base					424,290,000	424,290,000
Total debt limitation	<u>318,217,500</u>	<u>636,435,000</u>	<u>530,362,500</u>	<u>459,647,500</u>	<u>424,290,000</u>	<u>2,368,952,500</u>
Debt, as defined by Statute:						
Bonds and notes payable	34,828,000	23,894,000	5,217,434			63,939,434
Bond anticipation notes payable	15,800,000					15,800,000
Bonds authorized and unissued	45,352,057	66,980,550	19,370,967			131,703,574
State grant commitments	(5,173,865)	(77,626,500)				(82,800,365)
Total indebtedness	<u>90,806,192</u>	<u>13,248,050</u>	<u>24,588,401</u>	<u>-</u>	<u>-</u>	<u>128,642,643</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 227,411,308</u>	<u>\$ 623,186,950</u>	<u>\$ 505,774,099</u>	<u>\$ 459,647,500</u>	<u>\$ 424,290,000</u>	<u>\$ 2,240,309,857</u>

Note: In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$990,010,000

**CITY OF BRISTOL, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION - UNAUDITED
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 990,010,000	\$ 990,017,000	\$ 938,448,000	\$ 935,963,000	\$ 894,341,000	\$ 879,487,000	\$ 822,668,000	\$ 823,725,000	\$ 782,901,000	\$ 777,462,000
Total net debt applicable to limit	<u>128,642,643</u>	<u>123,830,051</u>	<u>135,362,808</u>	<u>135,362,808</u>	<u>86,303,000</u>	<u>93,369,000</u>	<u>100,679,000</u>	<u>104,310,000</u>	<u>93,200,000</u>	<u>97,690,000</u>
Legal Debt Margin	<u>\$ 861,367,357</u>	<u>\$ 866,186,949</u>	<u>\$ 803,085,192</u>	<u>\$ 800,600,192</u>	<u>\$ 808,038,000</u>	<u>\$ 786,118,000</u>	<u>\$ 721,989,000</u>	<u>\$ 719,415,000</u>	<u>\$ 689,701,000</u>	<u>\$ 679,772,000</u>
Total net debt applicable to the limit as percentage of debt limit	<u>12.99%</u>	<u>12.51%</u>	<u>14.42%</u>	<u>14.46%</u>	<u>9.65%</u>	<u>10.62%</u>	<u>12.24%</u>	<u>12.66%</u>	<u>11.90%</u>	<u>12.57%</u>

Source: Comprehensive annual financial report - Schedule of Debt Limitation

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

**CITY OF BRISTOL, CONNECTICUT
 DEMOGRAPHIC AND EMPLOYMENT STATISTICS - UNAUDITED
 LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>	<u>Personal Income (5)</u>
2018	60,147	\$ 30,555	40	8,314		\$ 35,534
2017	60,452	30,555	40	8,314	5.4%	35,534
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

(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

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

TABLE 12

**CITY OF BRISTOL, CONNECTICUT
PRINCIPAL EMPLOYERS - UNAUDITED
CURRENT AND TEN YEARS AGO**

Employer	Nature of Business	2018			2008		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ESPN	Sports Broadcasting	4,200	1	13.70%	3,000	1	9.04%
Bristol Hospital, Inc.	Healthcare	1,684	2	5.05%	1,271	2	3.83%
City of Bristol & Board of Education	Municipality	1,571	3	4.70%			0.00%
Sheriden Woods Health Care Center	Health Care	225	4	0.67%			0.00%
IDEX Health & Science LLC	Health Care	200	5	0.60%			0.00%
Stop & Shop	Grocery Store	175	6	0.52%	353	5	1.06%
Quality Coils	Manufacturing	170	7	0.51%			0.00%
The Pines at Bristol	Health Care	140	8	0.42%			0.00%
Stephen AutoMall Centre	Retail	130	9	0.39%			0.00%
Rowley Spring	Manufacturing	95	10	0.28%			0.00%
Price Chopper	Grocery Store			0.00%	220	8	0.66%
Associated Spring-Barnes Group	Manufacturing			0.00%	500	4	1.51%
Cigna	Insurance			0.00%	352	6	1.06%
Walmart	Retail			0.00%	243	7	0.73%
Yarde Metals	Manufacturing			0.00%	614	3	1.85%
Theis Precision Steel	Manufacturing			0.00%	190	9	0.57%
Home Depot	Retail				170	10	0.51%
Total		8,590		26.84%	6,913		20.82%

Source: Bristol Chamber of Commerce & Bristol Development Authority

**CITY OF BRISTOL, CONNECTICUT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM - UNAUDITED
LAST TEN FISCAL YEARS**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	75	76	74	75	74	75	85	82	87	87
Police	143	144	144	146	140	134	134	138	150	150
Fire	88	87	88	88	88	88	89	90	93	93
Public Works	111	113	115	113	105	113	117	118	127	127
Parks and Recreation	21	22	21	22	19	21	21	21	23	23
Library	27	28	30	30	28	30	29	30	30	30
Education	1,075	1,066	1,061	1,090	1,065	1,061	1,065	1,121	1,110	1,143
Water Department	36	35	34	36	34	34	34	34	36	36
Total	1,576	1,571	1,567	1,600	1,553	1,556	1,574	1,634	1,656	1,689

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

**CITY OF BRISTOL, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM - UNAUDITED
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Building permits issued	1,365	1,275	1,566	1,403	1,420	1,284	1,325	1,322	1,494	1,512
Police										
Physical arrests	2,108	2,252	2,228	2,345	2,389	2,539	2,638	2,655	2,920	3,289
Parking violations	1,718	2,445	2,391	1,556	1,969	2,478	3,443	1,695	3,103	3,969
Traffic violations	5,236	5,144	7,528	7,107	7,143	6,767	6,072	8,560	10,492	10,200
Fire										
Emergency responses	2,431	2,231	2,361	2,261	2,037	2,195	2,935	1,353	999	1,016
Fires extinguished	204	210	268	222	224	249	272	233	200	124
Inspections	908	1,285	1,237	1,246	884	877	998	1,255	1,978	814
Refuse Collection										
Refuse collected (tons per day)	64.32	67.76	62.03	62.87	62.86	65.20	73.61	67.24	69.17	69.93
Recyclables collected (tons per day)	15.54	18.28	15.56	18.36	16.98	16.64	16.11	13.35	13.48	13.58
Other Public Works										
Street resurfacing (miles)	12.8	5.4	16.50	14.30	12.50	10.20	8.20	7.50	5.50	11.00
Potholes repaired	320	775	750	850	800	750	750	830	920	1,050
Parks and Recreation										
Athletic field permits issued	1,798	1,457	1,832	1,739	1,696	1,522	1,591	1,246	1,050	1,050
Library										
Volumes in collection	233,075	230,435	227,372	232,082	213,151	214,288	215,250	209,150	200,600	193,869
Total volumes borrowed	252,435	258,848	275,736	313,755	311,116	311,714	327,807	331,043	344,386	351,025
Water										
New connections:										
Water main breaks	28	26	19	31	27	21	19	15	24	21
Average daily production (thousands of gallons)	5,200	4,873	5,117	5,270	5,020	5,118	5,219	5,455	5,261	5,400
Peak daily production (thousands of gallons)	7,695	7,680	8,498	7,754	7,006	7,731	8,841	9,720	7,474	7,716
Wastewater										
Average daily sewage treatment (millions of gallons daily)	8.22	6.83	5.80	7.10	8.90	8.10	9.30	8.50	8.60	8.60

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

**CITY OF BRISTOL, CONNECTICUT
CAPITAL ASSETS BY FUNCTION/PROGRAM - UNAUDITED
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	
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										
Fire stations	5	5	5	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	22	22	25	27	27	25	30	30	30	31
Other Public Works										
Streets (miles)	235.0	235.0	235.0	235.0	235.0	235.0	232.0	232.0	232.0	232.0
Highways (miles)	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8
Streetlights	5,508	5,508	5,539	5,539	5,538	5,535	5,523	5,500	5,500	5,500
Traffic signals	24	24	24	24	24	24	24	24	24	24
Parks and Recreation										
Acreage	730	730	730	730	720	700	700	700	700	700
Playgrounds	7	8	8	8	8	8	8	8	8	8
Baseball/softball diamonds	23	23	23	15	15	12	10	10	10	10
Soccer/football fields	6	6	6	6	6	6	5	5	5	5
Community centers	-	-	-	-	-	-	-	-	-	-
Water										
Water mains (miles)	314	313	313	313	313	313	313	313	313	313
Fire hydrants	1,612	1,608	1,608	1,601	1,611	1,596	1,596	1,591	1,591	1,575
Storage capacity (thousands of gallons)	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,280,105	1,280,105	1,281,105
Wastewater										
Sanitary sewers (miles)	245.10	245.10	245.10	243.40	243.40	242.90	242.90	238.70	238.70	237.80
Storm sewers (miles)	197.40	197.40	224.50	224.00	223.50	223.10	223.10	220.80	220.80	220.50
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