

FINAL OFFICIAL STATEMENT DATED NOVEMBER 2, 2017

Refunding Issue: Book-Entry-Only

BOND RATING: S&P Global Ratings: "AA+"

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the City with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; the Bonds are "qualified tax-exempt obligations"; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. See Appendix B – "Opinion of Bond Counsel and Tax Exemption" herein.



\$25,435,000 City of Bristol, Connecticut General Obligation Refunding Bonds, Issue of 2017, Series B

Dated: Date of Delivery

Due: February 1, 2018
and serially on August 1 as shown below:

The Bonds will be general obligations of the City of Bristol, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Interest on the Bonds will be payable on February 1, 2018 and semiannually thereafter on August 1 and February 1 in each year until maturity.

Year	Principal	Coupon	Yield	CUSIP ²	Year	Principal	Coupon	Yield	CUSIP ²
2018 ¹	\$ 225,000	3.000%	1.010%	109853X97	2024	\$ 2,070,000	5.000%	1.690%	109853Y88
2018	950,000	4.000%	1.050%	109853Y21	2025	2,100,000	5.000%	1.820%	109853Y96
2019	1,540,000	4.000%	1.120%	109853Y39	2026*	2,120,000	4.000%	1.960%	109853Z20
2020	1,935,000	5.000%	1.230%	109853Y47	2027*	2,125,000	4.000%	2.090%	109853Z38
2021	1,965,000	5.000%	1.310%	109853Y54	2028*	2,125,000	4.000%	2.220%	109853Z46
2022	2,000,000	5.000%	1.420%	109853Y62	2029*	2,125,000	4.000%	2.320%	109853Z53
2023	2,035,000	5.000%	1.570%	109853Y70	2030*	2,120,000	4.000%	2.420%	109853Z61

¹ Matures February 1, 2018.

* Priced assuming redemption on August 1, 2025; however any such redemption is at the option of the City.

The Bonds will be issued by means of a book-entry-only system and will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Ownership of the Bonds will be in the denominations of \$5,000 or integral multiples thereof. The Beneficial Owners will not receive certificates representing their ownership interest in the Bonds. Principal and interest on the Bonds will be payable by the City or its agent to DTC or its nominee as registered owner of the Bonds. So long as Cede & Co. is the Bondowner as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

The Bonds are subject to redemption prior to maturity.

The Registrar, Transfer Agent, Paying Agent, Certifying Agent, and Escrow Agent for the Bonds will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

PiperJaffray

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about November 9, 2017.

² Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of this information.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

Set forth in Appendix A — "2016 General Purpose Financial Statements" hereto is a copy of the report of the independent auditors for the City with respect to the financial statements of the City included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than as to matters expressly set forth in Appendix B, Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. In addition, the Bonds have not been registered under any state securities law.

The City deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15(c)(2)-12(b)(1), but it is subject to revision or amendment.

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Refunding Bond Issue Summary

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	City of Bristol, Connecticut (the "City").
Issue:	\$25,435,000 General Obligation Refunding Bonds, Issue of 2017, Series B.
Dated Date:	Date of Delivery.
Interest Due:	February 1 and August 1, in each year until maturity commencing February 1, 2018.
Principal Due:	February 1, 2018 and serially, August 1, 2018 through August 1, 2030, as detailed on the cover of this Official Statement.
Purpose and Authority:	The Bond proceeds will be used to refinance bonds originally issued in 2011 and to pay cost of issuance associated with the refinancing.
Redemption:	The Bonds are subject to redemption prior to maturity as herein provided.
Security:	The Bonds will be general obligations of the City of Bristol, Connecticut, and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	S&P Global Ratings has rated the Bonds "AA+".
Tax Exemption:	See Appendix B, "Opinion of Bond Counsel and Tax Exemption".
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C to this Official Statement.
Bank Qualification:	The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Registrar, Transfer Agent, Certifying Agent, Paying Agent, & Escrow Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 rd Floor, Hartford, Connecticut 06103.
Legal Opinion:	Day Pitney LLP of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made on or about November 9, 2017, against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to: Ms. Diane M. Waldron, Comptroller, City Hall, 111 North Main Street, Bristol, Connecticut 06010. Telephone (860) 584-6130.

I. Bond Information

Introduction

This Official Statement is provided for the purpose of presenting certain information relating to the City of Bristol, Connecticut (the "City") in connection with the original sale of \$25,435,000 General Obligation Refunding Bonds, Issue of 2017, Series B (the "Bonds").

U.S. Bank National Association will act as Registrar, Transfer Agent, Paying Agent, Certifying Agent, and Escrow Agent for the Bonds.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the City since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of laws contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut serves as Municipal Advisor to the City with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Description of the Bonds

The \$25,435,000 principal amount of the Bonds will be paid as is indicated on the front cover of this Official Statement. The Bonds will be dated the Date of Delivery and will bear interest at the rate or rates per annum specified on the cover of this Official Statement, payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2018. Interest will be calculated on the basis of a thirty-day month and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of January and July, or the preceding day if such day is not a business day, in each year by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company, by such other means as The Depository Trust Company and the City shall agree. Principal will be payable at the office of U.S. Bank National Association or through The Depository Trust Company.

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Redemption Provisions

The Bonds maturing on or before August 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2026 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after August 1, 2025 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the City may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
August 1, 2025 and thereafter.....	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the City will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the City, the Registrar or Paying Agent.

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its

regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC Practices

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the City fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the City is authorized to issue fully-registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the City of Bristol, Connecticut and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the City. The City may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income or of qualified disabled persons.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of the State of Connecticut, as amended, the Charter of the City of Bristol, and a bond resolution approved by the City Council on October 10, 2017. The proceeds of the Bonds will be used to refund or defease all or a portion of the outstanding maturities of the City's bonds originally issued in 2011.

Plan of Refunding

The Bonds are being issued to refund at or prior to maturity all or a portion of certain maturities of certain of the outstanding series of general obligation bonds of the City as set forth below (the “Refunded Bonds”). The refunding is contingent upon delivery of the Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Redemption Price</i>
2011	6/15/2011	8/01/2018	3.000%	\$ 2,125,000	n/a	n/a
		8/01/2019	4.000%	2,125,000	n/a	n/a
		8/01/2020	3.000%	2,125,000	8/1/2019	100.00
		8/01/2021	3.000%	2,125,000	8/1/2019	100.00
		8/01/2022	3.000%	2,125,000	8/1/2019	100.00
		8/01/2023	3.125%	2,125,000	8/1/2019	100.00
		8/01/2024	3.375%	2,125,000	8/1/2019	100.00
		8/01/2025	3.500%	2,125,000	8/1/2019	100.00
		8/01/2026	3.750%	2,125,000	8/1/2019	100.00
		8/01/2027	4.000%	2,125,000	8/1/2019	100.00
		8/01/2028	4.000%	2,125,000	8/1/2019	100.00
		8/01/2029	4.000%	2,125,000	8/1/2019	100.00
		8/01/2030	4.000%	2,125,000	8/1/2019	100.00
		Total				<u>\$ 27,625,000</u>

Upon delivery of the Bonds, the proceeds of the Bonds will be placed in an irrevocable escrow deposit fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”) under an escrow deposit agreement (the “Escrow Agreement”) to be dated as of the Date of Delivery between the Escrow Agent and the City. The Escrow Agent will use such proceeds and other monies, if any, to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the United States of America, including United States Treasury securities, Federal National Mortgage Association securities and Federal Home Loan Mortgage Corporation securities, or other investments permitted by Section 7-400 of the Connecticut General Statutes, as amended, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Government Obligations”). The principal of and interest on the Government Obligations, when due, will provide amounts sufficient to meet principal, interest payments and redemption prices on the Refunded Bonds on the redemption dates. The Escrow Agreement permits substitution of certain Government Obligations for other Government Obligations provided that the maturing principal of and interest on all Government Obligations held at any time under the Escrow Agreement will provide amounts sufficient to pay the principal, interest and redemption prices on the Refunded Bonds on the date such payments are due. All investment income on maturing principal of the Government Obligations held in the Escrow Deposit Fund and needed to pay the principal of, interest and redemption prices, on the Refunded Bonds will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds of the Refunding Bonds will be used to pay certain costs of issuance and underwriter’s discount.

Verification of Mathematical Computations

The accuracy of the mathematical computations regarding (i) the adequacy of maturing principal of and interest earned on the Government Obligations deposited with the Escrow Agent to pay, when due, the principal of, accrued interest and redemption premium on the Refunded Bonds on the redemption dates and (ii) the yield on the Bonds and the securities and moneys in the Escrow Deposit Fund will be verified by AMTEC of Avon, Connecticut (the “Verification Agent”). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Underwriter.

Sources and Uses of Bond Proceeds:

Sources:		<u>This Issue</u>
Par Amount of the Bonds.....		\$25,435,000.00
Original Issue Premium		3,525,152.80
Total Sources		<u>\$28,960,152.80</u>
 Uses:		
Deposit to Escrow Deposit Fund		\$28,782,531.68
Costs of Issuance		100,807.42
Underwriter's Discount		76,813.70
Total Uses		<u>\$28,960,152.80</u>

Qualification for Financial Institutions

The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.

Availability of Continuing Information

The City of Bristol prepares, in accordance with State law, annual independent audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The City has and will continue to provide Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings with ongoing disclosure in the form of comprehensive annual audited financial statements, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds not in excess of ten business days after the occurrence of such events, and (iii) timely notices of failure by the City to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form set out in Appendix C to this Official Statement. The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The City has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds to provide annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Within the last five years from the date hereof, the City has not failed to meet, in any material respect, any of its undertakings under such agreements.

Ratings

S&P Global Ratings ("S&P") has assigned a rating of "AA+" to the Bonds. The City furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of S&P and will be subject to revision or withdrawal, which could affect the market price of the Bonds. S&P should be contacted directly for its rating on the Bonds and the explanation of such rating. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the City.

Generally, rating agencies base a rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the rating agencies if in their judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of outstanding securities.

The City expects to furnish to S&P information and materials that they may request. However, the City may issue short-term or other debt for which a rating is not requested. The City's Municipal Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

Underwriting

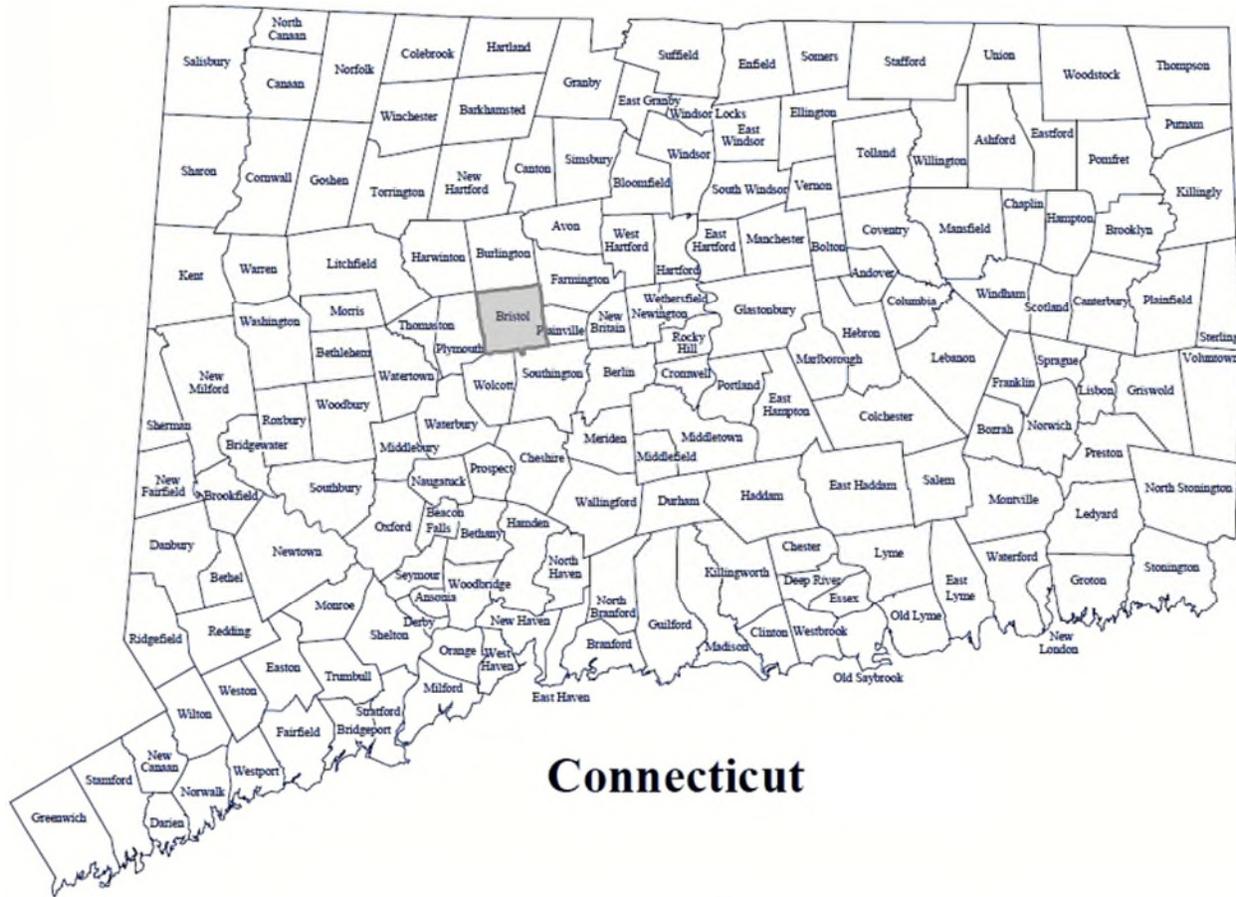
The Bonds are being purchased by Piper Jaffray & Co. (the “Underwriter”). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the City at the net aggregate purchase price of \$28,883,339.10 consisting of the principal amount of \$ \$25,435,000.00 plus net original issue premium of \$3,525,152.80, less underwriter’s discount of \$76,813.70).

The Underwriter will be obligated to purchase all of the Bonds, if any such Bonds are purchased. The Underwriter intends to offer the Bonds to the public initially at the offering prices or yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has entered into a distribution agreement (the “CS&Co. Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the CS&Co. Distribution Agreement, CS&Co. will purchase the Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

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II. The Issuer



Description of the Municipality

Bristol is a city of approximately 61,000 residents with one of the State's largest and best-maintained park systems, a top-rated public school system for its size, a variety of museums and local attractions such as Lake Compounce Amusement Park, and a broad industry base, including its largest taxpayer and employer, the world headquarters of ESPN. Yet, Bristol also has one of the most affordable costs of living in the region. These reasons and others are why Money Magazine ranked Bristol 84th in the country as "Best Places to Live" in 2010, and in 2013 Hartford Magazine ranked Bristol as one of Greater Hartford's top municipalities in the category "Best Bang for the Buck." In 2016, Bristol was recognized as the "Best Small City for Doing Business in Greater Hartford" by WalletHub.com, a personal finance website, and in 2017 the City of Bristol exhibited the strongest "economic health" of the 25 largest cities in the State of Connecticut, according to the Connecticut Department of Labor. The top ranking is based on four economic indicators: (1) total covered business establishments (2) total covered employment (3) inflation-adjusted covered wages, and (4) the local unemployment rate.

Bristol enjoys the important advantages of a central location close to several major metropolitan markets: New York and Boston each lie within 100 miles of Bristol, accessible by interstate highway, train, and air; Hartford is 16 miles away and New Haven is 25 miles away. Connecticut's major east-west highway, Interstate 84, is less than five miles south of Downtown Bristol off Route 229. Route 72 through Bristol connects Interstate 84 with Interstate 91, providing access to Fairfield County, New Haven County, and New York City to the south, Hartford County to the east and Springfield to the north.

Route 6, one of the country's original transcontinental highways, runs through Bristol as part of its 3,234-mile expanse stretching from Cape Cod to California. Bristol is only 30 miles from Bradley International Airport, and is within two hours of New York's LaGuardia and Kennedy Airports. The City is even closer to several smaller airfields which can accommodate corporate jets. Helicopter service is available in Bristol's 229 Technology Park, and rail freight service is available locally.

Bristol was and continues to be a leader in manufacturing, producing a wide variety of precision-crafted goods. Bristol was once the foremost clock-making center in the nation and remains one of the country's largest centers for

the manufacture of precision mechanical springs. Additionally, the City's manufacturing presence is well known in the production of everything from engineered steel, to screw machine products, to robotic-automation systems. Specialty manufacturers produce for a diverse array of industries, including medical devices, surgical equipment, aerospace, and automobile components.

Bristol's economic development efforts began in 1958 with the creation of the redevelopment agency for urban renewal. With a shift in focus from downtown in the 1970s, the City began work on its first industrial development on Middle Street and in the 1980s developed 229 Technology Park, widely regarded as one of the most successful industrial parks in the state.

The 229 Technology Park parcels, totaling over 100 acres, were completely sold by 1986. This location was designed as an ideal choice for corporate headquarters, research and development facilities, and light manufacturing and support services. The industrial park is a high-end development. All sites benefit from underground utility service, quality landscaping, and sound protective covenants. Under the administration of the Bristol Development Authority (BDA), the City of Bristol has attracted many companies to the park, such as IDEX Health and Science, Multi/Cable Corp., Etter Engineering Co Inc., the Covanta trash-to-energy plant, the Otis Elevator Quality Assurance Center (North America's tallest elevator test tower), the newly renovated DoubleTree by Hilton Hotel, and more. 229 Technology Park has more than 1,600 employees in over 25 businesses. ESPN, established in 1980, is located across Route 229 from the park and now employs thousands of people, many of whom live in Bristol.

In 1997, the City partnered with Tilcon Minerals to develop roughly 24 acres adjacent to the 229 Technology Park to create the Halcyon Technology Park. The Halcyon Technology Park shares the guidelines governing development with the 229 Technology Park. It has been developed with the addition of Bauer Aerospace, Nucoil Industries Inc., ACG Construction, and others. An underutilized 25,000-square foot Reynold's Aluminum Recycling Center was refurbished by Eastern Plastics Inc. (known as IDEX Health and Science) which has expanded twice: a 10,000 square foot addition was added in 1999, and 15,000 additional square foot was constructed in 2004.

In addition to the successful 229 Technology Park and Halcyon Technology Park, the City now offers building lots in the 51-acre Southeast Bristol Business Park, completed in 2008, less than one mile north of the existing industrial parks. Infrastructure for the new business park – including roadway, a traffic light, and utilities – was a jointly funded project of the Federal, State, and City governments. Five end-users have developed sites in the park: CMI Specialty Products is a producer/distributor of specialty electromagnetic steel; Precision Threaded Products makes aircraft fasteners; GMN USA is a spindle repair/manufacturer, the Connecticut/Western Massachusetts headquarters of the PODS portable storage company recently constructed a 130,000 square-foot distribution facility, and AMKO LLC is an aerospace manufacturer that recently completed construction on a 16,000 square-foot facility.

Bristol attracts and encourages growth with incentives such as tax abatements and economic development grants. The City has developed a word-of-mouth reputation as a pro-business environment due, in part, to these incentives as well as active marketing efforts. Each grant incentive is evaluated for return on investment. New taxes generated, less any abatement, can be calculated on improvements to a building and, in certain instances, the addition of new equipment and machinery. Every grantee is evaluated for financial viability and projected return to the City. Each business must also sign a grant agreement with clawback provisions: every agreement requires that the business stay in Bristol for 10 years, stay current on property taxes, and make every effort to hire Bristol residents. The use of the Urban Jobs Program tax abatement and other State-sponsored programs help guarantee the City a percentage reimbursement of the full amount of property taxes otherwise due from expanding businesses.

In 1995, a State Enterprise Zone was established in downtown Bristol to promote additional development, renewed investment, and employment opportunities through the creation of tax and other incentives. The former General Motors plant was added to the Enterprise Zone in 1996. The Bristol Development Authority actively promotes state-assisted tax relief programs (reimbursement for property tax abatement and more income tax reductions) and financial assistance for businesses.

Over 100 companies received economic development grants and abatements from 1994 to 2015. More than 700,000 square feet of new construction has resulted, along with an increase of more than \$100 million in the City's grand list. A total of more than 3,200 new jobs resulted from this effort alone.

Examples of recent business growth include the following projects:

- GMN USA constructed an advanced manufacturing facility
- Bristol Hospital, Inc., the City's second largest employer, has committed to building a 60,000 square foot medical office building downtown

- PODS constructed a large distribution facility
- Faneuil, Inc. recently renovated a large call center, bringing 400 jobs to downtown Bristol
- AMKO LLC is completing construction on a 16,000 square foot facility
- Arthur G. Russell built a 20,000 square-foot addition to its existing facility

ESPN continues to thrive as it adjusts to the popularity of mobile communications and new methods of reaching its growing audience. The nation's first all-sports cable television network is an affiliate of ABC/Walt Disney. Its broadcast headquarters are in Bristol where it has grown to be the world's largest sports programmer. The \$500 million ESPN Digital Center was brought on line in June 2004, and in summer 2014, ESPN opened its second digital center broadcast studio. At an estimated cost of \$100 million, the 200,000 square foot, state-of-the-art building offers new employment opportunities and provides the City with additional tax revenue. Also, ESPN continues to invest in 383 Middle Street, a roughly 400,000 square foot former factory building now known as "ESPN North." ESPN has steadily increased its footprint within the building and made significant improvements along the way, increasing tax revenue to the City. ESPN's future growth in Bristol was assured by its acquisition of 20 adjoining acres across Birch Street. As part of this project, the City contributed to the expansion by providing \$3.5 million in infrastructure improvements including adding a critical new access road, sewer improvements, re-paving Birch Street, road widening and re-grading of CT Route 229, intersection improvements, realignment of Ronzo and Redstone Hill Roads at CT Route 229, and closing a portion of Ronzo Road to accommodate more growth. Although ESPN recently announced some workplace reduction at its Bristol location it continues to remain on the forefront of sports programming.

Metal working and spring making is an important industrial cluster for Bristol including the Barnes Group Inc. and its associated spring division, which are the largest precision spring manufacturers in North America. Several other spring manufacturers, including Rowley Spring and Stamping Company, Century Spring, Fourslide Spring Products, and Springfield Spring cement the area's designation as the "Spring-Making Capital of the World." These companies and others have been challenged by foreign competition. Nevertheless, there have been few closures and layoffs and presently these manufacturers are experiencing an influx of new business as work orders return to U.S. companies from overseas.

Covanta, Bristol's second largest taxpayer, operates a 60,000 square-foot trash-to-energy facility and processes waste for use in generating electricity. A need for additional clean energy production in Connecticut is expected to provide a continuing strong demand as well as production opportunities. Serving Bristol and several of its neighboring communities, this privately-owned complex is located within 229 Technology Park. Growth opportunities that the City is pursuing include clean energy and bioscience. The strategy is being developed and may bear fruit over the coming decade.

Bristol Hospital, Inc. is a nonprofit, 154-bed hospital employing approximately 1,600 healthcare professionals and support staff. Bristol Hospital is the City's second largest employer. Bristol Hospital offers comprehensive inpatient, outpatient, and emergency services with a state-of-the-art intensive care unit and single room maternity care. The hospital also provides a wide range of educational programs and support groups. Within the past several years, Bristol Hospital has opened a new Center for Wound Care and Hyperbaric Medicine, and a Center for Orthopedic and Spine Health. In 2017, Bristol Hospital committed to constructing a 60,000 square-foot medical office complex on the City's Centre Square development parcel. The project will encompass 4 acres in the heart of downtown, bringing employment opportunities, medical staff, patients, and others downtown. In 2015, Bristol Hospital was officially designated by the American Nurses Credentialing Center (ANCC) Magnet Recognition Program as a "Magnet Recognized Organization." Magnet is the highest recognition an organization can receive for nursing care as established by the ANCC, a division of the American Nurses Association.

The City's two most heavily trafficked retail areas – CT Route 6 and CT Route 229 – continue to grow. CT Route 6 has enjoyed a large amount of retail renovation and expansion, particularly near the Farmington town line. This has included the development of a large LA Fitness facility, Chili's restaurant, and Sonic restaurant. Nearby on CT Route 6, a local pediatric care facility constructed a new 6,000 square foot facility. New retail tenants for the remainder of CT Route 6 in Bristol include Fresh Craft Grille, a fast casual eatery; Pet Valu Pet Store; The Paper Store; Jake's Wayback Burgers; Cricket Wireless; and many more. On or near CT Route 229, the Hospital of Central Connecticut recently opened a new urgent care facility, popular retail store Bob's Sports Chalet constructed an exciting new retail destination, the former Clarion Hotel was renovated as a DoubleTree by Hilton, ESPN continues its operations, and the Southeast Bristol Business Park is gaining steam.

Downtown redevelopment remains a top priority for reasons of economic vitality and quality of life. The City is currently working to redevelop an approximately 15-acre City owned, vacant piece of property – dubbed Centre Square – in the heart of the downtown sector. In 2016, the City engaged planning firm Milone & MacBroom to design

a “master plan” for development of the site. Nearly complete, this dynamic plan determines the locations of critical roadways, streetscape improvements, utility work, and also lays out a plan for future development on the Centre Square site. Concurrently, the City is working closely with Bristol Hospital on the construction of a 60,000 square-foot medical complex that will encompass four acres of the Centre Square site. In addition to ongoing Centre Square work, the City has had several recent downtown projects flourish. Super Natural Market, a popular local eatery, recently relocated downtown. Additionally, Biker’s Edge, another very popular local retailer, relocated from CT Route 6 to the downtown area. Finally, Faneuil Inc., a nationally recognized leader for operating customer care centers (call centers), established a large call center downtown that now employs more than 400 people.

The BDA is supporting downtown startups with access to grants, advice and marketing support through the City’s social media account, and a façade improvement program. In addition, the BDA recently completed the second year of its innovative business plan competition called StartUP Bristol, designed to encourage entrepreneurs and startup businesses from across the state to locate in downtown Bristol.

Other downtown reinvestments are being contemplated as well. Transportation, shopping and living patterns are all changing, affected to a large degree by increasing energy costs. Long-term trends favor cities and those that plan for quality development in a compact environment, promoting walking, biking, and short commutes. Bristol has been making those infrastructure investments to meet such future demands.

Form of Government

Adopted by the State legislature in 1911, the City’s Charter established a Council-Mayor form of government. The Charter subsequently was amended by many Special Acts, with a major change taking effect on January 1, 1969 through Charter Revision pursuant to the Home Rule Act. The City’s general elective officers include the Mayor, City Council (6 members), Treasurer, and Board of Assessment Appeals (3). The Mayor and City Council appoint other City officials and members of various Boards and Commissions.

The Mayor is the chief executive officer of the City and an ex officio member of the City Council and Board of Finance. Elected every odd-numbered year on a partisan basis, the Mayor presides over meetings of the City Council and exercises general supervision over the official acts and conduct of the City’s officers.

The City’s legislative power is vested exclusively in the City Council, consisting of six members from three City Council Districts who are elected every odd-numbered year on a partisan basis. As the City’s elected representatives, the City Council sets policy by resolutions or ordinances and directs the Mayor to ensure that such policies, as well as all the Charter-mandated duties of the City, are implemented.

The Board of Finance consists of nine members with four-year overlapping terms, who are nominated by the Mayor and confirmed by the City Council. The Board of Finance serves as the Board of Estimate and Apportionment of expenditures for the City, responsible for preparing a budget and estimate of expenditures every ensuing fiscal year.

The Joint Board of the City of Bristol is comprised of the members of the Board of Finance, the City Council and the Mayor (who also serves as Chairman). The Joint Board’s responsibilities include approval of the budget, authorization of all additional expenditures to the budget, and approval of any expenditure in excess of \$5,000.

The Board of Education consists of nine members, each of whom is elected every fourth year coinciding with the odd-numbered election year of the City’s other elective officers. Although the Board of Education’s total operating budget must be approved within the City’s Annual Budget, the board operates independently of the City Council.

Principal Municipal Officials

Office	Name	Manner of Selection	Term Expiration
Mayor	Ken Cockayne	Elected	11/13/2017
Council Member	Calvin Avery Brown	Elected	11/13/2017
Council Member	Anthony E. D'Amato	Elected	11/13/2017
Council Member	Mary B. Fortier	Elected	11/13/2017
Council Member	Jodi Zils Gagne	Elected	11/13/2017
Council Member	Dave Mills	Elected	11/13/2017
Council Member	David J. Preleski	Elected	11/13/2017
Board of Finance, Chairman	Cheryl Thibeault	Appointed	06/21
Board of Finance, Vice Chairman	John E. Smith	Appointed	06/19
Board of Finance	Jake Carrier	Appointed	06/19
Board of Finance	Derek Czenczelewski	Appointed	06/20
Board of Finance	Michael Fiorini	Appointed	06/18
Board of Finance	Michael LaMothe	Appointed	06/18
Board of Finance	Ron Burns	Appointed	06/20
Board of Finance	Orlando Calfe	Appointed	06/17
Board of Education, Chairperson	Christopher C. Wilson	Elected	11/11/2019
Board of Education, Member	Karen L. Vibert	Elected	11/11/2019
Board of Education, Member	Jennifer Dube	Elected	11/11/2019
Board of Education, Member	Jeff Caggiano	Elected	11/11/2019
Board of Education, Member	Joe P. Grabowski	Elected	11/11/2019
Board of Education, Member	David Scott, Jr.	Elected	11/11/2019
Board of Education, Member	Tina Marie Taylor	Elected	11/11/2019
Board of Education, Member	Thomas P. O'Brien	Elected	11/11/2019
Board of Education, Secretary	Karen C. Hintz	Elected	11/11/2019
Town and City Clerk	Therese Pac	Appointed	11/18
Comptroller	Diane M. Waldron	Appointed	06/21
Assistant Comptroller	Robin Manuele	Appointed	04/18
Treasurer	Thomas O. Barnes, Jr.	Elected	11/13/2017
Assessor	Thomas DeNoto	Appointed	07/20
Tax Collector	Teresa Babon	Appointed	05/21
Purchasing Agent	Roger Rousseau	Appointed	01/18
Director of Public Works	Walter E. Veselka III	Appointed	11/19
Police Chief	Brian J. Gould	Appointed	04/20
Fire Chief	Jay Kolakoski	Appointed	01/19
Corporation Counsel	Edward C. Krawiecki, Jr.	Appointed	11/17
Superintendent of Schools	Susan Kalt Moreau ¹	Appointed	6/30/2019
Personnel Director	Diane Ferguson	Appointed	04/20
Superintendent Parks and Recreation	Brian J. Wilson	Appointed	06/21
Superintendent of Water Department	Robert Longo	Appointed	05/19
Bristol Development Authority Ex. Director	Justin Malley	Appointed	04/18
Registrar of Voters (D)	Kevin McCauley	Elected	1/9/2019
Registrar of Voters (R)	Sharon Krawiecki	Elected	1/9/2019
Director, Department of Aging	Patricia Tomascak	Appointed	Indefinite
Chairman, Inland Wetlands Commission	Zachary Fisk	Appointed	05/20
Director of Youth & Community Services	Eileen McNulty	Appointed	05/20
City Planner	Robert Flanagan	Hired	Indefinite
Planning Secretary and City Engineer	Raymond Rogozinski	Appointed	02/21
Zoning Enforcement Officer	Monica Holloway	Hired	Indefinite
Director, Emergency Management	Harland Graime	Appointed	Indefinite
Chief Building Official	Guy Morin	Appointed	07/18
Bristol-Burlington Health District Director	Charles Motes, Jr.	Appointed	Indefinite
Library Director	Deborah Prozzo	Appointed	Indefinite
Assistant Director PWD/WPC Manager	Vacant	Hired	Indefinite

¹ Appointment is effective as of November 1, 2017.

Municipal Services

Police. The Police Department has an authorized strength of 122 sworn personnel and 24 civilian employees, including the Police Chief, two Captains, eleven Lieutenants and thirteen Sergeants. Six Commissioners act as the policy-setting civilian board. The Police Department employs sixteen civilian dispatchers and two Animal Control Officers.

Police services in Bristol include a Patrol Bureau and Support Bureau. Ancillary Support Services include a narcotics enforcement unit, participation in the U.S. Department of Justice Drug Enforcement Administration Task Force, and a regional Emergency Response Team. The Department embraces advanced training and provides a 14-week field training officer program, augments college level classes and provides educational incentives for college education through a Master's Degree.

Fire. The Bristol Fire Department is a career department which provides emergency services through the use of 86 line personnel and two full time administrative personnel and one part-time principal clerk. The line personnel are divided into four platoons that work a 10-hour dayshift and a 14-hour nightshift. Members of the department responded to 2,231 emergency calls from July 1, 2016 to June 30, 2017 from five fire stations with six pieces of fire apparatus. There are five engine companies and one tower ladder which operate under the direction of four Deputy Chiefs. The department's personnel roster currently consists of the Fire Chief, Administrative Assistant, Principal Clerk, four Deputy Chiefs, one Fire Marshal, three Fire Inspectors, one Drill Master, one Equipment Technician, six Captains, eighteen Lieutenants and fifty-two Firefighters. The overseeing body of the Bristol Fire Department is the Board of Fire Commissioners. Commissioners are appointed to the Board for a term of three years by the Mayor who sits as the Chairman of the Board. The Fire Commissioners work hand-in-hand with the Fire Chief to establish the primary policies of the Fire Department. Based on Insurance Service Office surveys of the department's fire suppression capabilities, the City maintains a fire insurance classification of three.

Public Works. The Department of Public Works is under the direction of the Board of Public Works, consisting of the Mayor, three council representatives and three private citizens. Department programs include the maintenance of the City's streets, storm water infrastructure and bridges; the administration and/or construction of capital public works improvements; the maintenance and upgrading of all public buildings, exclusive of school and park facilities; the administration and/or collection and disposal of solid waste rubbish and recycling materials; the collection and treatment of waste water; purchase, service and maintenance of the Public Works fleet; and land use development planning. The Department of Public Works is divided into the following eight Operating Divisions with 115 employees:

Administration: Performs all office functions for the department including payroll, purchasing, processing bills, word processing, database management, filing and issuance of permits for Transfer Station use, and barrel management for solid waste, recycling and yard waste collections. Administration also acts as the City Hall Switchboard for all calls, manages the Public Works web site and handles communications and press releases for internal and external customers. This division also manages the citizen request/complaint database, and acts as the initial contact-point on street maintenance, storm water and drainage, solid waste and recycling, land use, permitting and engineering matters.

Engineering: Provides in-house technical and professional services for Public Works and for other City departments, boards and commissions. Performs design, construction administration and inspection of Public Works capital projects. Performs the updating of City maps; reviews plans for subdivisions for the Planning Commission and requests for changes to zoning; and reviews site plans and permit applications for the Inland Wetlands Commission. Performs updates, manages access and assists other Departments using the City's GIS database. Division is also responsible for oversight of the upkeep on approximately 2 miles of industrial railroad spur with one bridge, 3 signalized crossings and 2 manual crossings plus the City's 5,500 street lights.

Land Use Administration: Provides administrative and technical services for the City's four land agencies (Planning Commission, Zoning Commission, Zoning Board of Appeals and Inland Wetlands Agency) and the local Historic District Commission. These services include receiving, processing and reviewing all applications; preparing legal notices, meeting agendas, correspondence and meeting minutes; and maintaining the official records of the boards. It also provides information, advice and assistance to the development community (e.g., developers, design professionals, attorneys, and real estate agents) and to the public regarding planning, zoning and related land use and development matters, as well as technical expertise and administrative assistance in the preparation and updating of the City's Plan of Conservation and Development, the City's regulatory tools (Zoning Regulations, Zoning Map, Subdivision Regulations, and Inland Wetlands Regulations) and other planning-related studies. The Land Use

Division also has administrative responsibility for implementation of the state's Aquifer Protection Area Program, in conjunction with the Zoning Commission, which has been designated as the City's Aquifer Protection Agency.

Facility Maintenance: Provides custodial and maintenance services for City Hall and the Police/Court Complex, Youth Services (51 High Street), Animal Control Facility (Vincent P. Kelly Road), City Yard (95 Vincent P. Kelly Road) and Transfer Station (685 Lake Street), as well as maintenance and repair services for the firehouses, libraries and senior center. Attends to landscaping and winter snow removal operations for City Hall, Police/Court Complex, Youth Services, Memorial Boulevard School and other City-owned properties as directed. Facility Maintenance also provides support and landscaping tasks associated with the upkeep of the Centre Square Green, "The Patch Downtown", as required. Serves as Custodian for other properties acquired by the City through foreclosure, purchase and other means until transfer of responsibility to another department or sale by the City.

Water Pollution Control: This division is charged with the operation and maintenance of the City's wastewater collection and treatment facilities, as accounted for in the Sewer Operating and Assessment Fund, and provides sanitary sewer collection and treatment to approximately 90% of the City's populated area. It operates and maintains an advanced wastewater reclamation plant with 10.75 MGD capacity, 16 pumping stations, and 243 miles of sewer lines and 5,600 manholes. It also provides administrative services for the operation of the City's wastewater collection and treatment facilities, oversees sewer usage billing performed by the City's Water Department, and develops long-term plans to assure the operation will meet the future needs of the community. In accordance with State and Federal regulations, the Division is required to maintain a Capital Reserve Fund adequately funded to meet the financial demands of all facility upgrades, modifications and capital equipment replacement.

Street Maintenance Operations: Maintains and repairs 232 miles of street, 220 miles of storm drains including over 8,000 catch basins, and 25 bridges. Additionally, this division is responsible for cutting, trimming and replanting trees and, winter snow removal and ice control operations.

Solid Waste & Recycling Management: Provides for collection and, by various means, disposal of all solid waste generated by approximately 20,000 dwelling units which house approximately 80 percent of the City's population. The division's activities include: collection of 18,000 tons of refuse; collection of 3,600 tons of recyclable material; collection of 450 tons of bulky material. Operates the City's transfer station/recycling drop-off center as a Pay-As-You Throw Special Revenue Fund operation which receives and transfers 4,000 tons of refuse, 4,600 tons of recyclable material, 3,000 tons of brush, 15,000 gallons of waste oil, and spring and fall leaf collection, including the operation of a leaf composting facility which processes 1,300 tons of leaves collected by the City and brought in by individuals and small businesses. All quantities are annual.

Fleet Maintenance: This division maintains and repairs all Public Works vehicles and equipment and 40 Police Department vehicles, and provides fuel and oil for most City vehicles. The garage averages over 1,500 repair and service orders per year, and dispenses approximately 129,000 gallons of gasoline and 174,000 gallons of diesel fuel annually.

Water Department. The Bristol Water Department is a municipal department of the City of Bristol and is governed by a Board of Water Commissioners appointed by the Mayor and approved by the City Council.

The Water Treatment Plant was constructed and put on-line in 1989 with a filtering capacity of 12 million gallons per day ("MGD") and provisions for increasing this capacity to 24 MGD with future expansion. The project cost of the new plant was \$11.4 million of which \$9,835,000 was bonded and debt service was paid for with revenues from the sale of water. All bonding for the Water Treatment Plant was repaid in 2008. Additional bonding in the amount of \$5,900,000 completed the rehabilitation of dams 2, 4 and 5 and the storage tank at the Filter Plant.

The surface water supply consists of six reservoirs with a combined capacity of 1.2 billion gallons of water. These reservoirs are located in the towns of Burlington, Harwinton, Plymouth and the City. In addition to the surface supply, there are five gravel packed wells with an average daily maximum production of 2.5 million gallons.

The Bristol Water Department has established an interconnection with the New Britain Water Department. The interconnection provides 500,000 gallons per day of additional supply for the Bristol Water Department, as required.

Ten storage structures are spread throughout the City in six different pressure zones with a combined capacity of 16.7 million gallons. The distribution system consists of over 300 miles of cast iron and ductile iron water mains varying in size from 4" to 36". Ductile iron pipe is used for all new water main installations and for all service connections over 2" in diameter. Copper tubing is used for all service connections under 2" in diameter.

All bills are due and payable on the first day of the regular billing period. Penalty charges of 1.5% of the unpaid balance are added after 30 days from the billing date. Liens are filed in the City land records if the account remains unpaid for a period of six months from the billing date. All accounts in arrears after the 30 day payment period receive a "Second Notice" which includes the past due amount for the water and sewer bill plus any penalty and lien charges. Thirty (30) days after the "Second Notice" is sent, the customer will receive a "Third Notice" as a reminder bill that the account is still delinquent. Approximately seven to ten days after the "Third Notice" is sent, if payment is still not received on the past due account, the customer will receive a "Final Notice". The customer has thirteen (13) days from the date of the "Final Notice" to pay the delinquent account in its entirety or call the office to make arrangements for payment with the Collections Clerk. The "Final Notice" contains information on what a customer should do to prevent the possible termination of their water service. Although not required under the Bristol Water Department Rules and Regulations, seven days prior to the end of the thirteen day payment period a yellow door hanger is left at the service address and/or mailed to the owner of the property. If payment has not been made by the end of the thirteen day payment period, the service is terminated in accordance with the Department of Public Utility Control guidelines. The terminated service will not be turned back on until full payment is made by either cash or bank certified check including all re-instatement fees. For locations that contain tenants that cannot be shut off due to Department of Public Utility Control guidelines, liens are filed in the City land records if the account remains unpaid for a period of six months from the billing date.

***Bristol Water Department Rates
Effective as of July 1, 2016***

Consumption Rate: Billed at \$0.025 per cubic foot.

A service charge dependent upon the meter size is charged to all accounts as follows:

Minimum Quarterly Charges

<u><i>Meter Size</i></u>	<u><i>Quarterly Service Charge</i></u>
5/8"	\$20.00
3/4"	53.00
1"	80.00
1-1/2"	102.00
2"	124.00
3"	172.00
4"	243.00
6"	310.00
8"	415.00

The Bristol Water Department miscellaneous charges are as follows:

1" Fire Service Connection.....	\$25.00 per quarter
2" Fire Service Connection.....	\$30.00 per quarter
3" Fire Service Connection.....	\$41.00 per quarter
4" Fire Service Connection.....	\$53.00 per quarter
6" Fire Service Connection.....	\$75.00 per quarter
8" Fire Service Connection.....	\$111.00 per quarter
10" Fire Service Connection.....	\$155.00 per quarter
12" Fire Service Connection.....	\$180.00 per quarter
Private Fire Hydrant.....	\$27.50 per hydrant, per quarter
Public Fire Hydrant.....	\$6.00 per hydrant, per quarter

All miscellaneous charges are included with the regular quarterly billing.

Parks and Recreation. In size, Bristol has the second largest municipal parks system in the State of Connecticut. Its staff consists of 21 full-time employees, and more than 175 part-time seasonal employees. Policy is set by a seven-member commission.

With leisure recreation expanding in Bristol, the Bristol Parks and Recreation Department has introduced the total field of organized recreation services. The department provides the people of Bristol with a comprehensive and varied program of public recreation, activities, services and resources for all ages, including:

1. Maintaining and developing public park, playground and recreation facilities;
2. Offering public recreation programs for all ages;
3. Sponsoring special events and special interest programs; and
4. Assisting community groups in recreation-oriented activities.

Department facilities include two major parks over 100 acres each; eight neighborhood parks; a lighted stadium which is used by local baseball, soccer, and football teams; an indoor pool facility; a park on the historic register; the Federal Hill Green; and the Veterans' Memorial Boulevard Park. The Park Department is presently responsible for over 700 acres of park land including Hoppers/Birge Pond Nature Preserve, Kern Park, Pine Lake, Mix Street Field and Nelson Field.

Within these areas are located two outdoor swimming pools, 15 tennis courts (5 lighted), 6 outdoor basketball courts, 6 lighted sand volleyball courts, a supervised ice skating area, 5 fishing areas, a sliding area (Nelson Field), 6 pre-school playscapes, 3 baseball diamonds, 4 softball fields (3 lighted), picnic sites, 3 water spray parks, horseshoe courts, bocce courts, 2 eighteen hole disc golf courses, a para-fitness course, a universal accessible playscape, a jogging and walking path, hiking trails, dog park and a cast-in-place skate park.

The department is fortunate to have had many benefactors over the years, who established numerous Trust and Endowment Funds to benefit some of the City's parks. Major park renovations recently took place at Rockwell Park, Muzzy Field, Casey Field, Pine Lake and Page Park Tennis Courts. The bank stabilization of the Pequabuck River and replacement of the HVAC and pool water heater systems at the Dennis Malone Aquatic Center are additional renovations that have been undertaken.

Three million dollar renovations to Muzzy Field consisted of a new gateway concourse, additional parking and handicapped accessibility, new ticket booth, new baseball press box, covered seating area, new roof, improvements to dugouts, additional handicapped seating areas, new netting and protective padding. Casey Field improvements include new field lights, new fencing, irrigation, and additional parking.

The bank stabilization for the Pequabuck River in Rockwell Park should control localized flooding after heavy rains as several choke areas were re-aligned to help ease the heavy flows. The addition of the former New Britain Water Company property known as Mix Street Field to the Parks Department, has added more opportunities for additional playing space.

Parking and pedestrian improvements were completed at Pine Lake. A new ADA compliant pedestrian walkway was installed along with parking lot improvements, drainage improvements, landscaping and lighting. The tennis courts at Page Park were replaced with post-tension concrete.

Future plans call for pedestrian and parking improvements at Page Park, trail improvements to the Hoppers area and new bleacher seating at Muzzy Field.

Service Contract- Solid Waste Disposal Facility. Covanta Bristol, Inc., a Connecticut corporation operates a 650-ton-per-day mass-burn solid waste disposal, electric power generation, and resource recovery facility at 170 Enterprise Drive. The commercial operation date was April of 1988.

The Company is a subsidiary of Covanta Energy Corporation, a Delaware corporation. The Company was formed in 1984 for the purpose of owning and operating the facility for the processing and disposal of acceptable solid waste from the City of Bristol, Connecticut, Town of Berlin, Connecticut, Town of Branford, Connecticut, Town of Burlington, Connecticut, Town of Hartland, Connecticut, City of New Britain, Connecticut, Town of Plainville, Connecticut, Town of Plymouth, Connecticut, Town of Prospect, Connecticut, Town of Seymour, Connecticut, Town of Southington, Connecticut, Town of Warren, Connecticut, Town of Washington, Connecticut, and Town of Wolcott,

Connecticut (14 municipalities collectively referred to as the “Contracting Communities”). The Contracting Communities Agreement operating under the Bristol Resource Recovery Facility Operating Committee (“BRRFOC”) expired in 2014 and each municipality has individually contracted with Covanta through a collective agreement through 2034.

The City pays a tipping fee of \$63.21 per ton for refuse, effective July 1, 2017 and is required to deliver up to its minimum commitment of 21,284 tons for the current fiscal year.

If the facility is temporarily or permanently shut down and partially or completely unable to receive and process acceptable waste, the Company is obligated to provide waste disposal services by alternative disposal methods.

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Municipal Employees Full-Time

Fiscal Year Ended June 30	2017	2016	2015	2014	2013
Board of Education.....	1,071	1,068	1,057	1,061	1,066
General Government.....	505	506	510	488	495
Total.....	1,576	1,574	1,567	1,549	1,561

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

The table below shows an analysis of general government employees by department:

Department	Full Time	Part-Time & Temporary
Police	144	1
Fire	87	1
Administrative and Financial ...	71	10
Youth Services.....	5	42
Recreation	22	169
Library	28	7
Public Works	113	2
Water	35	-
Total	505	232

Source: City of Bristol, Personnel Office.

Employee Relations

Almost all full and permanent part-time City employees, with the exception of management, are represented by a bargaining organization as follows:

Board of Education	Employees Represented¹	Current Contract Expiration Date
Bristol Federation of Teachers Local 1464	623	6/30/2018
Bristol Association of Principals & Supervisors	31	6/30/2020
Bristol Educational Secretaries Association	72	6/30/2020
Bristol Municipal Employees Local 2267 Board of Education, Custodial, Maintenance & Teachers Aides	254	6/30/2020
AFL Local 2267 Council No. 4 (Board of Education Cafeteria) #818 Council 4	54	6/30/2020
Non-Bargaining Employees	4	6/30/2020
Sub-total	33	--
Sub-total	1,071	
City Groups		
Local 1338 of Council No. 4, AFSCME, AFL-CIO	120	6/30/2018
Police Local 754 of Council No. 15	116	6/30/2019
Local 773, International Association of Fire Fighters	85	6/30/2019
Bristol City Hall Employees, Local 233	118	6/30/2018
Bristol Professionals & Supervisors Association	47	6/30/2018
Non-Bargaining Employees	19	--
Sub-total	505	
Total	1,576	

¹ Excludes part-time employees.

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

General Statutes Sections 7-473c, 7-474 and 10-153a to 153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a city, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

The Bristol Public School system provides educational services ranging from pre-school programs through adult education programs. Within the system, there are six elementary schools which accommodate grades kindergarten through five; two schools which accommodate grades kindergarten through eighth, two middle schools, which provide programs for grades six, seven and eight; and two high schools which are comprehensive high schools for grades nine through twelve.

In addition to these schools, alternative education programs are provided at the Bristol Community-Senior Center. Bristol maintains an extensive special education program with a variety of services provided for handicapped and learning disabled students from pre-school to age twenty-one. Bristol's program for gifted and talented children includes special programs and resource services for students identified as gifted or talented in grades three through twelve. The academic program is complemented by a wide variety of extracurricular activities, including intramural and interscholastic sports, instrumental and vocal music programs, and many student organizations, which are available to all students.

The community is further served by a parochial school system of three elementary (K-8) schools and one high school. The Bristol Technical Educational Center is open to adults and high school students in grades 11 and 12, and is approved for veterans. Opportunities for post-secondary education in technical, professional, and the liberal arts field abound in the area through both public and private schools. A regional community/technical college is situated one mile over the Bristol border in the Town of Farmington and Central Connecticut State University is in nearby New Britain. Branches of the University of Connecticut and State technical colleges are located in both Waterbury and Hartford, twenty minutes away. Also available in the area are nursery schools and day care facilities, as well as Latchkey programs in all of the elementary schools in Bristol.

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School Facilities

School	Grades	Construction	Number of Classrooms ¹	Rated Capacity	Actual Enrollment
		(Remodeling or Renovation)			10/1/2017 ^{2,3}
Bristol Central High School	9-12	1967, 2000	55	1,582	1,107
Bristol Eastern High School	9-12	1959 (65), 2000	60	1,700	1,103
Chippens Hill Middle School ..	6-8	1993	45	911	765
Northeast Middle School	6-8	1922 (65,83)	41	1,050	477
Greene-Hills	K-8	2012	53	1,100	910
West Bristol	K-8	2012	53	1,100	912
Stafford School	K- 5	1951 (54,85)	41	1,050	411
Edgewood School	K- 5	1957 (64,86,12)	24	497	288
Ellen Hubbell	K- 5	1991	28	529	433
Ivy Drive School	K- 5	1967 (2007)	29	480	403
Mountain View School	K- 5	1967 (2007)	27	441	366
South Side School	K- 5	1974	28	569	491
Totals			484	11,009	7,666

¹ New England School Development Annual Report.

² The Bristol Board of Education reports Current Operating Capacity as of 10/1 every year based upon square footage and other requirements of the State Department of Education; however, the Bristol Board of Education's actual utilization of Current Operating Capacity is maximized by scheduling classes in interchangeable classrooms that are available for instruction. The Bristol Board of Education's Actual Enrollment, therefore, may exceed Current Operating Capacity in some schools.

³ Excludes 79 out-of-district placements and 335 pre-school students, but includes Special Education students.

Source: City of Bristol, Board of Education.

School Enrollment

School Year	Pre K	K - 5	6 - 8	9-12	Total ²
Historical ¹					
2008-2009	340	3,728	2,002	2,713	8,783
2009-2010	326	3,628	2,039	2,700	8,693
2010-2011	309	3,585	1,960	2,714	8,568
2011-2012	276	3,628	2,039	2,641	8,584
2012-2013	287	3,581	1,836	2,546	8,250
2013-2014	290	3,585	1,750	2,509	8,134
2014-2015	337	3,546	1,772	2,448	8,103
2015-2016	335	3,554	1,734	2,408	8,031
2016-2017	333	3,551	1,858	2,394	8,136
2017-2018	298	3,406	1,862	2,260	7,826
Projected ³					
2018-2019	298	3,393	1,892	2,299	7,882
2019-2020	298	3,395	1,807	2,335	7,835

¹ Bristol Board of Education (excludes 79 out-of-district placements).

² Special Education students are included in counts of regular education.

³ State of Connecticut, Department of Education.

Source: City of Bristol, Board of Education.

III. Economic and Demographic Information

Population and Density

Year	Population ¹	% Increase (Decrease)	Density ²
2015 ³	60,554	0.1%	2,234.5
2010	60,477	0.7%	2,231.6
2000	60,062	-1.0%	2,216.3
1990	60,640	5.7%	2,237.6
1980	57,370	3.4%	2,117.0
1970	55,487	--	2,047.5

¹ 1970-2010, U.S. Department of Commerce, Bureau of Census

² Per square mile: 27.0 square miles

³ American Community Survey 2011-2015

Age Distribution of the Population

Age	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	2,822	4.7%	191,445	5.4%
5 to 9 years	3,495	5.8	214,983	6.0
10 to 14 years	3,961	6.5	231,075	6.5
15 to 19 years	3,625	6.0	255,286	7.1
20 to 24 years	3,492	5.8	237,578	6.6
25 to 34 years	8,370	13.8	436,678	12.2
35 to 44 years	7,733	12.8	448,840	12.6
45 to 54 years	9,538	15.8	556,454	15.6
55 to 59 years	4,475	7.4	259,565	7.3
60 to 64 years	3,420	5.6	219,040	6.1
65 to 74 years	4,741	7.8	291,955	8.2
75 to 84 years	3,053	5.0	162,332	4.5
85 years and over	1,829	3.0	87,991	2.5
Total	60,554	100.0%	3,574,097	100.0%
Median Age (Years) 2015.....	41.6		40.4	
Median Age (Years) 2010. ¹	40.0		40.0	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2011-2015

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Income Distribution

	City of Bristol		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	538	3.5%	30,926	3.5%
\$10,000 to \$14,999.....	393	2.6	18,063	2.0
\$15,000 to \$24,999.....	993	6.5	46,085	5.1
\$25,000 to \$34,999.....	1,015	6.6	55,715	6.2
\$35,000 to \$49,999.....	1,523	9.9	83,173	9.3
\$50,000 to \$74,999.....	3,263	21.3	139,724	15.6
\$75,000 to \$99,999.....	2,587	16.9	126,557	14.1
\$100,000 to \$149,999...	3,070	20.0	183,030	20.4
\$150,000 to \$199,999...	1,282	8.4	94,575	10.6
\$200,000 or more.....	677	4.4	117,791	13.2
Total.....	15,341	100.0%	895,639	100.0%

Source: American Community Survey 2011-2015

Income Levels

	City of Bristol	State of Connecticut
Per Capita Income, 2015.....	\$31,709	\$38,803
Median Family Income, 2015.....	\$73,927	\$89,031
Median Household Income, 2015....	\$61,478	\$70,331

Source: American Community Survey 2011-2015

Employment Data

Period	City of Bristol		Percentage Unemployed		
	Employed	Unemployed	City of Bristol	Hartford Labor Market	State of Connecticut
August 2017.....	31,427	1,683	5.1	4.7	4.6
Annual Average					
2016.....	31,038	1,958	5.9	5.3	5.3
2015.....	30,772	2,127	6.5	5.6	5.6
2014.....	31,282	2,406	7.2	6.7	6.7
2013.....	30,635	2,742	8.2	7.9	7.9
2012	31,220	2,947	8.6	8.4	8.3
2011	31,618	3,181	9.2	8.9	8.8
2010	31,557	3,444	9.8	9.1	9.0
2009	31,932	3,161	9.0	8.3	8.2
2008	32,315	2,092	6.1	5.9	5.8
2007	32,602	1,734	5.1	4.7	4.6

Source: Department of Labor, State of Connecticut

Employment by Industry

Sector	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	51	0.2%	7,214	0.4%
Construction.....	1,898	6.2	100,593	5.6
Manufacturing.....	4,395	14.3	191,286	10.7
Wholesale trade.....	986	3.2	44,581	2.5
Retail trade.....	3,486	11.4	193,799	10.9
Transportation warehousing, and utilities....	898	2.9	66,850	3.8
Information.....	1,598	5.2	41,486	2.3
Finance, insurance, real estate, and leasing..	2,996	9.8	163,822	9.2
Professional, scientific, management, administrative, and waste management....	2,433	7.9	199,942	11.2
Education, health and social services.....	6,842	22.3	471,587	26.5
Arts, entertainment, recreation, accommodation and food services.....	2,559	8.4	153,516	8.6
Other services (except public admin.).....	1,102	3.6	79,998	4.5
Public Administration.....	1,392	4.5	66,743	3.7
Total Labor Force, Employed.....	30,636	100.0%	1,781,417	100.0%

Source: American Community Survey 2011-2015

Educational Attainment Years of School Completed Age 25 & Over

	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	1,986	4.2%	105,725	4.4%
9th to 12th grade, no diploma.....	2,884	5.8	144,132	6.1
High School graduate (includes equivalency)...	15,257	26.7	673,973	27.5
Some college, no degree.....	8,652	18.1	430,129	17.8
Associate degree.....	3,616	8.7	183,289	7.4
Bachelor's degree.....	7,331	20.3	516,001	20.5
Graduate or professional degree.....	3,433	16.3	409,606	16.4
Total.....	43,159	100.0%	2,462,855	100.0%
Percent high school graduate or higher.....		88.7%		89.9%
Percent bachelor's degree or higher.....		24.9%		37.6%

Source: American Community Survey 2011-2015

Age Distribution of Housing

Year Built	City of Bristol		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	5,683	21.1%	331,829	22.2%
1940 to 1969.....	10,462	38.8	536,501	36.0
1970 to 1979.....	3,551	13.2	199,447	13.4
1980 to 1989.....	4,661	17.3	193,595	13.0
1990 to 1999.....	1,424	5.3	115,076	7.7
2000 or 2009.....	1,090	4.0	103,911	7.0
2010 or later.....	82	0.3	11,427	0.8
Total Housing Units.....	26,953	100.0%	1,491,786	100.0%

Source: American Community Survey 2011-2015

Housing Inventory

Housing Units	City of Bristol		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	15,113	56.1%	882,941	59.2%
1-unit, attached.....	987	3.7	80,636	5.4
2 units.....	2,920	10.8	121,410	8.1
3 or 4 units.....	2,927	10.9	132,512	8.9
5 to 9 units.....	1,735	6.4	82,727	5.5
10 to 19 units.....	808	3.0	55,826	3.7
20 or more units.....	2,287	8.5	123,561	8.3
Mobile home.....	176	0.7	11,898	0.8
Boat, RV, van, etc.....	-	-	275	0.0
Total Inventory.....	26,953	100.0%	1,491,786	100.0%

Source: American Community Survey 2011-2015

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	447	2.7%	24,620	2.7%
\$50,000 to \$99,999.....	628	3.8	28,771	3.2
\$100,000 to \$149,999.....	3,126	19.1	78,066	8.6
\$150,000 to \$199,999.....	4,426	27.0	140,544	15.5
\$200,000 to \$299,999.....	5,748	35.1	251,106	27.7
\$300,000 to \$499,999.....	1,670	10.2	235,670	26.0
\$500,000 to \$999,999.....	262	1.6	106,965	11.8
\$1,000,000 or more.....	64	0.4	40,485	4.5
Total.....	16,371	100.0%	906,227	100.0%
Median Value.....	\$194,600		\$270,500	

Source: American Community Survey 2011-2015

Major Employers Employment Levels As of October 2017

Name	Business	Estimated Number of Employees
ESPN	Broadcasting Facility Headquarters	4,200
Bristol Hospital, Inc.	Healthcare	1,684
City of Bristol.....	Municipality	1,567
Sheriden Woods Health Care Center....	Health Care	225
IDEX Health & Science LLC.....	Health Care	200
Stop & Shop	Retail	175
Quality Coils.....	Manufacturing	170
The Pines at Bristol.....	Health Care	140
Stephen World of Wheels	Auto Dealership	130
Rowley Spring.....	Manufacturing	95
Total.....		8,586

Source: City of Bristol Comptroller's Office.

Land Use Summary

Category	All Land	
	Acreage	Percent
Residential	7,898	46.00%
Industrial and Commercial	1,785	10.40%
Community Facilities/Institutions	1,334	7.77%
Open Space	1,705	9.93%
Other (Farms, Misc. Public Land)	545	3.17%
Transportation and Utilities	2,128	12.39%
Vacant	1,775	10.34%
Totals.....	17,170	100.00%

Source: City of Bristol, Building Department.

Building Permits Ten-Year Comparison

Calendar Year	Residential		Commercial & Industrial		Apartments & Condominiums		Total Estimates	
	No.	Value	No.	Value	No.	Value	No.	Value
2016	1,100	12,707,765	221	41,687,869	-	-	1,321	54,395,634
2015	1,229	11,855,263	257	19,797,336	-	-	1,486	31,652,599
2014	1,206	14,205,476	252	16,384,301	-	-	1,458	30,589,777
2013	1,122	15,498,865	238	18,636,294	1	1,000,000	1,361	35,135,159
2012	1,076	11,621,730	234	16,704,090	-	-	1,310	28,325,820
2011 ¹	826	8,643,765	180	16,542,180	-	-	1,006	25,185,945
2010	1,169	12,966,812	275	20,080,414	-	-	1,444	33,047,226
2009	1,113	9,993,010	297	37,602,324	-	-	1,410	47,595,334
2008	1,323	13,158,760	318	16,255,135	-	-	1,641	29,413,895
2007	1,295	18,448,089	267	27,522,663	43	4,022,000	1,605	49,992,752

Note: Does not include mechanicals.

Source: City of Bristol, Building Department.

¹Missing 1/1/11 through 4/30/11 data due to change in recording system.

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IV. Tax Base Data

Property Tax

Assessments

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the limits of the City of Bristol for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total assessed value for all taxable real and personal property and motor vehicles located within the City as of October 1st. The three classes of taxable property that create the Grand List are Real Estate, Motor Vehicles, and Personal Property. Real Property includes land and improvements that are permanently attached to the land. Personal Property includes all other property not classified as real property, such as machinery, equipment, furniture, fixtures, registered and non-registered motor vehicles. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last revaluation. The last City-wide revaluation was 2012. The Board of Assessment Appeals is charged with the duty of hearing appeals on assessments from aggrieved taxpayers, and reviewing and changing valuation set by the Assessor.

Public Act No. 04-2 of the May 2004 Special Session of the Connecticut General Assembly modified the required cycle of revaluation and lengthened the cycle from four to five years. Generally, the law requires a revaluation every five years and a general revaluation based on physical observation where the preceding revaluation in the five-year cycle was a statistical revaluation. The City of Bristol's next general revaluation is scheduled to take effect October 1, 2017 and is in the process of being finalized.

New construction of real estate and modifications to existing structures completed after any assessment date are liable for payment of municipal taxes from the date Certificate of Occupancy is issued by the Building Inspector. This involves the physical inspection of the property and computing the assessment. The prorated increment is the increase in the building assessment prorated on a daily basis from the Certificate of Occupancy date to the next assessment year.

Pursuant to the Connecticut General Statutes 14-163, the Commissioner of Motor Vehicles is required to furnish to the assessor in each town, a list containing the names and addresses of the owners of motor vehicles, residing in their respective towns, as they appear on October 1st of each year. Appraisals of motor vehicles are accomplished in accordance with an automobile pricing schedule recommended by Connecticut Association of Assessing Officers to the State Office of Policy and Management. In the past five years National Automobile Dealers Association ("NADA") has been the recommended schedule. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1st are subject to a property tax as if the motor vehicle had been included on the October 1st Grand List. The tax is prorated and is based on the number of months of ownership between October 1 and the following July 31st. Motor vehicles purchased in August and September are not taxed until the next October 1st Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits. If the motor vehicle is sold, destroyed, or stolen and not replaced, the tax bill will be prorated for the number of months of ownership.

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. For the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate above 37 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The 2017-2019 biennium budget legislation increases the mill rate to 39 mills for fiscal year 2018 and 45 mills for fiscal year 2019. The City has issued tax bills for fiscal year 2018 based on the 32 mills rate and does not anticipate issuing supplemental bills to make up for the difference.

The Personal Property list consists of all businesses located within the corporate City limits of Bristol. In general terms, personal property is everything needed to engage in a business enterprise, excluding land and any improvements thereon. The common categories are machinery, furniture and fixtures, equipment, data processing equipment, and unregistered motor vehicles. Discovery of new accounts are obtained by telephone directories, newspaper articles, advertisements, trade names filed with the City Clerk, and a physical canvass of the business

districts. State Statutes require all owners of business personal property to file annual lists of such property no later than November 1st, or be subject to a 25% penalty. All business personal property is assessed annually. Site inspections and audits are completed periodically.

Connecticut General Statutes 12-81(72) allows a five year, 100% property tax exemption for eligible new manufacturing machinery and equipment acquired and installed on or after October 2, 1991, and for "newly acquired" used manufacturing machinery and equipment acquired and installed on or after July 1, 1992. The State of Connecticut reimburses each municipality for the revenue loss sustained as a result of this exemption.

Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, in compliance with Connecticut General Statutes, tax bills are payable in two installments - July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor corrections, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes, with a minimum charge of \$2. Outstanding real estate tax accounts are automatically lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Auto accounts and personal property accounts are transferred to suspense when deemed least likely to be collected and all accounts become uncollectible 15 years after the due date in accordance with Connecticut General Statutes.

Tax Abatement Policy

The City of Bristol employs a number of statutory tax abatement mechanisms to incentivize economic growth in the community. Some of these programs include:

Connecticut City and Town Development Act

In November of 2014, Bristol voters approved a five-year extension of the Connecticut City and Town Development Act pursuant to Chapter 114 of the General Statutes which provides the community with a broad range of financial tools to foster the development of residential, industrial, commercial, and manufacturing facilities including the power to exempt development property from local taxation.

Enterprise Zone

The Enterprise Zone primarily encompasses the geographic center of downtown Bristol. Two important business incentives available in the Enterprise Zone are a five-year, 80% abatement of local property taxes on qualifying real and personal property and a ten-year, 25% credit on that portion of the state's corporation business tax. Additionally, qualifying newly formed corporations located in the zone are eligible for corporate tax credits. In order to qualify for the State of CT Enterprise Zone Program, the business occupying the space must be deemed eligible for the program by the State. Generally, manufacturers or service-based organizations that do not conduct business with the general public are eligible.

The Enterprise Zone property tax abatement revenue loss is reported annually to the State Department of Economic and Community Development as part of the Distressed Municipalities initiative granting the City 50% abatement revenue loss reimbursement. The following table represents the City's 50% abatement revenue loss reported to the State of Connecticut Department of Economic and Community Development for the last five years:

Grand List Year	Revenue Abatement	Revenue Abatement Personal Property	Total
	Real Estate		
2010	\$ 157,425.50	\$ 47,790.27	\$ 205,215.77
2011	174,028.19	67,929.87	241,958.06
2012	148,198.88	39,712.35	187,911.23
2013	151,198.69	54,279.41	205,478.10
2014	115,914.57	58,251.96	174,166.53
2015	70,793.25	54,073.06	124,866.31
2016	62,680.00	40,439.00	103,119.00
Total.....			\$ 1,242,715.00

If a business does not qualify for the State of Connecticut Enterprise Zone Program, an opportunity exists to pursue tax abatement through the City of Bristol Enterprise Zone Program. The City of Bristol program offers a 7-year abatement of real property improvements: 100% (Year 1), 100% (Year 2), 50% (Year 3), 40% (Year 4), 30% (Year 5), 20% (Year 6), and 10% (Year 7). Per Article XIV, Section 18-201 of the City of Bristol Code of Ordinances, assessments on commercial or residential real property within the Enterprise Zone which is improved are eligible to be fixed for a period of seven (7) years from the time of such improvement and shall defer any increase in assessment attributable to such improvements based on the schedule noted above.

Bioscience Zone

The Bioscience Zone is located in downtown areas and the southeastern portion of Bristol. Businesses engaged in bioscience development or production including the study of genes, cells, tissues, and chemical and physical structures of living organisms will be able to benefit from the same incentives available to businesses located in the State of Connecticut Enterprise Zone Program.

Urban Jobs Program

The Urban Jobs Tax Abatement Program is designated for manufacturers moving to or expanding in Bristol. In addition, warehouse/distribution firms engaging in new construction are also eligible. The program has the same eligibility requirements and benefits as the State Sponsored Enterprise Zone Track, with the exception that the property in question does not need to be located within the City/State-designated Enterprise Zone.

Comparative Assessed Valuation

Grand List as of 10/1	Commercial/		All Land	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Growth
	Residential Real Property	Industrial Real Property							
2016	52.0	27.0	1.0	12.0	8.0	\$ 4,604,939,576	\$ 694,247,044	\$ 3,910,692,532	1.77%
2015	52.0	27.0	1.0	12.0	8.0	4,548,370,636	705,701,725	3,842,668,911	-9.36%
2014	52.0	27.0	1.0	12.0	8.0	4,551,714,608	312,000,962	4,239,713,646	-0.17%
2013	53.0	27.0	1.0	11.0	8.0	4,479,086,450	232,210,578	4,246,875,872	1.26%
2012 ¹	53.0	27.0	2.0	10.0	8.0	4,420,875,010	226,672,927	4,194,202,083	-10.76%
2011	58.0	24.0	2.0	9.0	7.0	4,923,653,260	223,986,450	4,699,666,810	1.20%
2010	59.0	24.2	1.8	8.0	7.0	4,855,301,920	211,187,671	4,644,114,249	0.00%
2009	59.2	24.2	1.8	7.9	6.9	4,825,349,090	181,046,126	4,644,302,964	0.37%
2008	59.5	24.0	2.0	7.8	6.7	4,801,496,900	174,309,060	4,627,187,840	0.27%
2007 ¹	59.1	24.9	1.2	7.2	7.6	4,785,651,520	171,074,590	4,614,576,930	51.76%

¹ Revaluation.

Source: City of Bristol, City Assessor.

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**Exempt Property
Assessed Value**

The following categories of exempt properties are not included in the Grand List:

Public	Assessed Value
State of Connecticut	\$ 7,467,450
City of Bristol	247,881,450
United States of America	5,090,330
Sub-Total Public	\$ 260,439,230
Private	
Recreation Facilities	\$ 3,941,770
Churches	63,903,500
Hospitals and Sanitariums	54,482,750
Veterans' Organizations	812,210
Scientific, Educational, Historical and Charitable	15,626,930
Cemeteries	2,133,950
Sub-Total Private	\$ 140,901,110
Total Tax Exempt Property	\$ 401,340,340
Percent Compared to Net Taxable Grand List ¹	10.26%

¹Based on a Net Taxable Grand List as of October 1, 2016 of \$3,910,692,532.

Source: City of Bristol, Assessor.

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Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
ESPN (Entertainment & Sports TV) ²	Broadcasting Facility Headquarters	\$ 222,486,506	5.69%
Eversource	Utility	57,087,740	1.46%
Covanta	Trash to energy facility	45,226,780	1.16%
Bristol Center LLC	Manufacturing/Warehouse facility	32,775,050	0.84%
Federal Realty Investment Trust	Shopping Plaza	22,177,120	0.57%
Bristol Sports DST	Office Complex	20,791,050	0.53%
Festival Fun Parks/LakeCompounce	Amusement Park	20,659,490	0.53%
Carpenter Realty Company	Real Estate owner/developer	19,547,908	0.50%
Yankee Gas Service Company	Utility	15,682,070	0.40%
D'Amato Construction/Affiliated LLCs ..	Real Estate owner/developer	15,409,947	0.39%
Total		\$ 471,843,661	12.07%

¹Based on a Net Taxable Grand List as of October 1, 2016 of \$3,910,692,532.

² The Walt Disney Company owns 80% and the Hearst Corporation owns 20% of ESPN, Inc. The Walt Disney Company is traded on the New York Stock Exchange, and the Hearst Corporation is privately-held.

Source: City of Bristol, Assessor.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Percent Collected at End of Fiscal Year	Uncollected	
						Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2017 ²
2016	2018 ²	\$3,525,167,050	36.03	\$126,652,686		IN COLLECTION	
2016 (MV) ³	2018 ²	379,623,698	32.00	11,968,704		IN COLLECTION	
2015	2017 ²	3,842,668,911	36.03	140,557,058	98.82	1.18	1.18
2014	2016	4,239,713,646	34.61	135,392,014	98.68	1.32	0.32
2013	2015	4,246,875,872	34.61	134,241,698	98.47	1.53	0.18
2012 ¹	2014	4,194,202,083	33.50	127,846,858	98.46	1.54	0.03
2011	2013	4,699,666,810	28.75	125,219,747	98.75	1.25	0.08
2010	2012	4,644,114,249	27.24	117,025,188	98.74	1.26	0.04
2009	2011	4,644,302,964	27.24	116,072,405	98.63	1.37	0.04
2008	2010	4,627,187,840	25.99	110,504,691	98.32	1.68	0.04
2007 ¹	2009	4,614,576,930	25.99	110,667,948	98.15	1.85	0.04

¹ Revaluation.

² Subject to audit.

³ State legislation at the time of budget adoption capped the motor vehicle mill rate at 32 mills.

Source: City of Bristol, Tax Collector.

Property Taxes Receivable Last Five Fiscal Years (In Thousands)

As of June 30	Total Uncollected Taxes	Current Year Levy
2016	\$ 4,155	\$ 2,541
2015	3,592	2,397
2014	3,462	2,242
2013	2,762	1,691
2012	2,732	1,406

Source: City of Bristol, Tax Collector.

V. Debt Summary
Long-Term Debt
As of November 9, 2017
Principal Only
(Pro-Forma)

Date	Purpose	Rate %	Amount of Original Issue	Amount Outstanding	Date of Fiscal Year Maturity
06/26/02	Clean Water PLO (415-D/C)	2.00	\$ 1,409,533	\$ 299,464	2021
06/26/02	Clean Water PLO (498-D/C)	2.00	1,483,380	315,153	2021
12/31/03	Clean Water PLO (504-C)	2.00	1,488,101	438,963	2022
05/28/04	Clean Water PLO (562-C)	2.00	693,527	238,719	2023
04/20/06	Clean Water PLO (464-C)	2.00	470,225	221,708	2026
08/24/11	General Purpose Refunding	3.00-5.00	15,589,000	8,095,000	2023
08/24/11	Schools Refunding	3.00-5.00	6,234,000	3,472,000	2023
08/24/11	Water Refunding	3.00-5.00	2,112,000	1,163,000	2023
06/27/14	Water PLO	2.00	501,000	415,948	2033
07/31/15	Clean Water PLO (622-C).....	2.00	631,833	553,985	2035
09/30/15	Water PLO	2.00	344,155	304,189	2035
11/17/15	General Purpose Refunding	3.00-5.00	4,126,000	3,606,000	2025
11/17/15	Schools Refunding	3.00-5.00	2,991,000	1,079,000	2025
05/30/17	General Purpose	2.00-5.00	17,739,000	17,739,000	2035
05/30/17	Schools	2.00-5.00	3,391,000	3,391,000	2035
Total Outstanding Long-Term Debt.....			\$ 59,203,754	\$ 41,333,128	

This Issue

11/09/17	General Purpose Refunding	3.00-5.00	\$ 5,437,000	\$ 5,437,000	2031
11/09/17	Schools Refunding	3.00-5.00	16,094,000	16,094,000	2031
11/09/17	Sewer Refunding	3.00-5.00	3,401,000	3,401,000	2031
11/09/17	Water Refunding ¹	3.00-5.00	503,000	503,000	2031
Total This Issue.....			\$ 25,435,000	\$ 25,435,000	

Grand Total..... **\$ 84,638,754** **\$ 66,768,128**

¹ The City has a Memorandum of Agreement and Understanding regarding the financing commitment of the Water Department to ensure the self-funding of the Water Department's debt.

Note: The City's debt service for general obligation sewer bonds is paid completely from the General Fund.

Short-Term Debt
As of November 9, 2017

Project	Authorized Amount	Notes Due: 7/18/18	Notes Due 5/29/18
Radio Communications System Replacement.....	\$ 10,000,000	\$ -	\$1,786,000
Engine 5 Renovations.....	600,000	-	555,000
Hillside Place Intersection Reconstruction.....	540,000	-	473,000
Public Works Garage Renovations.....	520,000	-	272,000
Restoration of Memorial Boulevard School	400,000	-	136,000
Replacement of Downs Street Bridge.....	320,000	-	91,000
Munchausen & Bartholomew St. Reconstruction.....	310,000	-	43,000
Mountain Road Rock Face Stabilization.....	320,000	-	31,000
Stevens Street Richard Court Berm Construction.....	550,000	-	13,000
Bristol Centre Mall Purchase/Legal.....	6,275,000	3,385,000	-
Bristol Centre Mall Demolition/Abatement.....	3,500,000	615,000	-
Total.....	\$ 23,335,000	\$ 4,000,000	\$ 3,400,000

**General Fund
Bonded Debt Maturity Schedule ¹
As of November 9, 2017
(Pro-Forma)**

Fiscal Year	Principal	Interest	Total	Pro-forma: This Issue				Cumulative Principal Retired
				Pub. Imp.	Schools	Sewer	Total	
2018 ²	\$ 221,618	\$ 1,045,362	\$ 1,266,979	\$ 49,000	\$ 142,000	\$ 30,000	\$ 221,000	0.69%
2019	5,598,999	1,328,054	6,927,053	203,000	601,000	127,000	931,000	10.83%
2020	4,695,807	1,126,510	5,822,317	330,000	975,000	205,000	1,510,000	20.47%
2021	4,711,781	925,525	5,637,306	414,000	1,225,000	258,000	1,897,000	30.73%
2022	4,548,294	725,661	5,273,955	420,000	1,244,000	262,000	1,926,000	40.79%
2023	3,212,054	568,509	3,780,562	428,000	1,266,000	266,000	1,960,000	48.82%
2024	1,855,078	459,046	2,314,124	435,000	1,288,000	272,000	1,995,000	54.80%
2025	1,838,952	374,183	2,213,135	442,000	1,310,000	277,000	2,029,000	60.81%
2026	1,297,970	340,080	1,638,050	448,000	1,329,000	281,000	2,058,000	66.02%
2027	1,277,305	314,363	1,591,668	453,000	1,341,000	284,000	2,078,000	71.24%
2028	1,277,957	287,228	1,565,185	454,000	1,344,000	285,000	2,083,000	76.46%
2029	1,273,622	258,577	1,532,199	454,000	1,344,000	285,000	2,083,000	81.67%
2030	1,274,301	226,898	1,501,199	454,000	1,344,000	285,000	2,083,000	86.88%
2031	1,274,993	189,006	1,463,999	453,000	1,341,000	284,000	2,078,000	92.09%
2032	1,275,699	151,088	1,426,787	-	-	-	-	94.07%
2033	1,276,420	113,179	1,389,599	-	-	-	-	96.06%
2034	1,277,155	75,244	1,352,399	-	-	-	-	98.04%
2035	1,262,019	37,347	1,299,366	-	-	-	-	100.00%
Total....	\$ 39,450,025	\$ 8,545,861	\$ 47,995,886	\$ 5,437,000	\$16,094,000	\$ 3,401,000	\$ 24,932,000	

¹ Includes debt service related to Clean Water Fund Loans from the State of Connecticut outstanding as of November 9, 2017 but excludes self-supporting water debt and refunded bonds.

² Excludes \$6,228,694 of principal and \$426,133 of interest paid between July 1, 2017 and November 9, 2017.

Note: The City's debt service for general obligation sewer bonds is paid completely from the General Fund.

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Self-Supporting Water Debt Maturity Schedule
As of November 9, 2017
(Pro-Forma)

Fiscal Year	Principal²	Interest²	Total	Pro-forma: This Issue Water	Cumulative Principal Retired
2018 ¹	\$ 24,414	\$ 33,602	\$ 58,016	\$ 4,000	1.30%
2019	276,249	57,055	333,304	19,000	15.97%
2020	277,002	46,713	323,715	30,000	30.68%
2021	278,770	35,194	313,964	38,000	45.48%
2022	279,554	23,610	303,164	39,000	60.32%
2023	245,354	14,250	259,604	40,000	73.35%
2024	41,169	9,652	50,822	40,000	75.54%
2025	42,002	8,842	50,844	41,000	77.77%
2026	42,851	7,993	50,844	42,000	80.05%
2027	43,717	7,127	50,844	42,000	82.37%
2028	44,601	6,228	50,829	42,000	84.74%
2029	45,503	5,341	50,844	42,000	87.15%
2030	46,423	4,421	50,844	42,000	89.62%
2031	47,362	3,482	50,844	42,000	92.13%
2032	48,319	2,518	50,837	-	94.70%
2033	49,296	1,548	50,844	-	97.32%
2034	35,156	615	35,771	-	99.18%
2035	15,395	129	15,523	-	100.00%
Total.....	\$1,883,137	\$ 268,320	\$2,151,457	\$ 503,000	

¹ Excludes \$293,097 of principal and \$34,171 of interest paid between July 1, 2017 and November 9, 2017.

² Excludes Refunded Bonds.

Overlapping/Underlying Debt

The City of Bristol has neither overlapping nor underlying debt.

THE CITY OF BRISTOL HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

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Debt Statement
As of November 9, 2017
Principal Only
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Including This Issue).....	\$ 34,877,000
Schools (Including This Issue)	24,036,000
Sewers (Including This Issue).....	5,468,991
Water (Including This Issue).....	<u>2,386,137</u>
Total Long-Term Debt	66,768,128
Short-Term Debt	7,400,000
Total Direct Debt	74,168,128
Less: Self Supporting Water Debt ¹	<u>(2,386,137)</u>
Total Net Direct Debt	71,781,991
Plus: Overlapping/Underlying Debt	-
Total Overall Net Debt	<u>\$ 71,781,991</u>

¹ The City has a Memorandum of Agreement and Understanding regarding the financing commitment of the Water Department to ensure the self-funding of the Water Department's debt.

Current Debt Ratios
As of November 9, 2017
(Pro Forma)

Population (2015) ¹	60,554
Net Taxable Grand List (10/1/16) ²	\$ 3,910,692,532
Estimated Full Value (70%).....	\$ 5,586,703,617
Equalized Grand List (10/1/14) ³	\$ 5,414,806,061
Income per Capita (2015) ¹	\$ 31,709

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$74,168,128	\$71,781,991	\$71,781,991
Per Capita.....	\$ 1,224.83	\$ 1,185.42	\$ 1,185.42
Ratio to Net Taxable Grand List.....	1.90%	1.84%	1.84%
Ratio to Estimated Full Value.....	1.33%	1.28%	1.28%
Ratio to Equalized Grand List.....	1.37%	1.33%	1.33%
Debt per Capita to Income per Capita (2015).....	3.86%	3.74%	3.74%

¹ U.S. Bureau of Census, American Community Survey (2011-2015).

² Revalued: October 1, 2012.

³ Office of Policy and Management, State of Connecticut.

Bond Authorization Procedure

Authorization to incur indebtedness through the issuance of bonds or notes must be approved by the Board of Finance which has the sole power by Charter to determine the necessity for and manner of issuing bonds by the City of Bristol. Special appropriations which are financed by bond issues must be approved by the Board of Finance and the Joint Board. Refunding bonds are authorized by resolution of City Council.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

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Statement of Debt Limitation
As of November 9, 2017
(Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2017 (unaudited)	\$ 141,428,000
Reimbursement for Revenue Loss on Tax Relief for Elderly-Freeze (unaudited)	3,000
Base	<u>\$ 141,431,000</u>

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 318,219,750	-	-	-	-
4 1/2 times base.....	-	\$ 636,439,500	-	-	-
3 3/4 times base.....	-	-	\$530,366,250	-	-
3 1/4 times base.....	-	-	-	\$ 459,650,750	-
3 times base.....	-	-	-	-	\$ 424,293,000
Total Debt Limitation	<u>318,219,750</u>	<u>636,439,500</u>	<u>530,366,250</u>	<u>459,650,750</u>	<u>424,293,000</u>
Indebtedness:					
Outstanding Debt: ¹					
Bonds Payable.....	29,440,000	7,942,000	2,067,991	-	-
Bonds of This Issue.....	5,437,000	16,094,000	3,401,000	-	-
Notes	7,400,000	-	-	-	-
Bonds Authorized But Unissued ² ...	38,178,897	6,449,515	19,370,967	-	-
Total Indebtedness	<u>80,455,897</u>	<u>30,485,515</u>	<u>24,839,958</u>	<u>-</u>	<u>-</u>
Less School Construction Grants ³	-	-	-	-	-
Total Net Indebtedness For Debt					
Limitation Calculation	<u>80,455,897</u>	<u>30,485,515</u>	<u>24,839,958</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS					
OF INDEBTEDNESS	<u>\$ 237,763,853</u>	<u>\$ 605,953,985</u>	<u>\$505,526,292</u>	<u>\$ 459,650,750</u>	<u>\$ 424,293,000</u>

¹ Because water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes, excluded from above is \$1,883,137 of water bonds outstanding, \$503,000 water bonds of this issue, and \$781,000 of authorized but unissued water debt.

² Amount authorized but unissued for school projects has been reduced by grants received from the State of Connecticut. For school projects authorized by the General Assembly after July 1, 1996, a bond authorization is required for the portion of the project that is eligible for state grants.

³ The State of Connecticut Bureau of School Building Grants reimburses municipalities for eligible principal and interest costs over the life of any bonds issued for projects authorized by the Connecticut General Assembly prior to July 1, 1996. The City does not expect to receive any principal reimbursement from the State of Connecticut under this program going forward.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$990,017,000.

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**Authorized but Unissued Debt
As of November 9, 2017
(Pro Forma)**

Project	Authorized Amount	Debt Previously Issued	Notes Due: 7/18/18	Notes Due 5/29/18	Gross Authorized but Unissued	Estimated Grants or Other Funds to Reduce Bond Authorization	Net Authorized but Unissued
Engine 4 Renovations.....	\$ 6,000,000	\$ 5,655,700	\$ -	\$ -	\$ 344,300	\$ -	\$ 344,300
Synthetic Fields.....	3,615,000	3,180,000	-	-	435,000	-	435,000
Muzzy Field Improvements - Phase I & II.....	2,825,000	2,761,000	-	-	64,000	-	64,000
Waterbury Road Construction.....	3,560,000	1,771,000	-	-	1,789,000	962,686	826,314
Coppermine Brook Flood Control ("CBFC") -							
Fredericks St. Bridge/Channel Improvements.....	1,572,000	1,445,000	-	-	127,000	-	127,000
Hubbell School - Roof Replacement/Repainting.....	2,108,305	1,400,000	-	-	708,305	-	708,305
Northeast Middle School Roof Replacement.....	1,196,650	1,172,000	-	-	24,650	-	24,650
Purchase Street Lights.....	731,720	731,700	-	-	20	-	20
Bristol Central High School Track Replacement.....	750,000	672,000	-	-	78,000	-	78,000
Senior Center Infrastructure Upgrade Project.....	2,960,700	566,000	-	-	2,394,700	-	2,394,700
Birch Street - Roadway Reclamation.....	480,000	453,400	-	-	26,600	-	26,600
Roadway Reclamation, Elizabeth, UConn.....	580,000	420,400	-	-	159,600	159,572	28
Fern Hill Road Reclamation.....	690,000	294,200	-	-	395,800	-	395,800
HVAC Replacement - DMAC.....	400,000	254,000	-	-	146,000	-	146,000
Roof Replacement - Administration Building.....	297,500	147,000	-	-	150,500	-	150,500
Single Stream Recycling - Phase II.....	800,000	135,500	-	-	664,500	-	664,500
Pequabuck River Stabilization - Rockwell Park.....	420,912	71,100	-	-	349,812	-	349,812
Radio Communications System Replacement.....	10,000,000	-	-	1,786,000	8,214,000	-	8,214,000
Engine 5 Renovations.....	600,000	-	-	555,000	45,000	-	45,000
Hillside Place Intersection Reconstruction.....	540,000	-	-	473,000	67,000	-	67,000
Public Works Garage Renovations.....	520,000	-	-	272,000	248,000	-	248,000
Restoration of Memorial Boulevard School.....	13,287,000	-	-	136,000	13,151,000	-	13,151,000
Replacement of Downs Street Bridge.....	320,000	-	-	91,000	229,000	-	229,000
Munchausen & Bartholomew St. Reconstruction.....	310,000	-	-	43,000	267,000	-	267,000
Mountain Road Rock Face Stabalization.....	320,000	-	-	31,000	289,000	-	289,000
Stevens Street Richard Court Berm Construction.....	550,000	-	-	13,000	537,000	-	537,000
Bristol Centre Mall Purchase/Legal.....	6,275,000	-	3,385,000	-	2,890,000	2,890,000	-
Bristol Centre Mall Demolition/Abatement.....	3,500,000	-	615,000	-	2,885,000	520,000	2,365,000
Forestville K-8 School.....	53,000,000	12,650,000	-	-	40,350,000	39,182,900	1,167,100
West Bristol K-8 School.....	52,000,000	12,900,000	-	-	39,100,000	38,443,600	656,400
Casey Field Improvements.....	208,000	-	-	-	208,000	-	208,000
HJ Mills Parking Lot Construction.....	880,000	-	-	-	880,000	-	880,000
Willis Street - Reconstruction Phase II.....	816,430	-	-	-	816,430	451,607	364,823
Dorset Horn & Great Pyreness Way Reconstruction..	400,000	-	-	-	400,000	-	400,000
CBFC - Removal of Private Bridge.....	380,000	-	-	-	380,000	-	380,000
Clark Ave, Terryville Rd, & Barlow St Water Main....	250,000	-	-	-	250,000	-	250,000
DeWitt Drive Water Storage Tank.....	531,000	-	-	-	531,000	-	531,000
Divinity Street Culvert Replacement.....	350,000	-	-	-	350,000	-	350,000
Curtiss, Zip, Twining Reconstruction.....	520,000	-	-	-	520,000	-	520,000
Railroad Bridge Rehabilitation.....	220,000	-	-	-	220,000	-	220,000
Sharon, Dover, Warren Reconstruction.....	380,000	-	-	-	380,000	-	380,000
Lexington Reconstruction.....	440,000	-	-	-	440,000	-	440,000
Streetlight Upgrade.....	1,820,000	-	-	-	1,820,000	-	1,820,000
North Main Street Parking Improvements.....	200,000	-	-	-	200,000	-	200,000
Heating, Hot Water DMAC.....	200,000	-	-	-	200,000	-	200,000
Replace Engine 7.....	550,000	-	-	-	550,000	-	550,000
Chippens Hill Roof.....	2,909,560	-	-	-	2,909,560	-	2,909,560
BCHS Tennis Courts.....	350,000	-	-	-	350,000	-	350,000
BEHS Tennis Courts.....	405,000	-	-	-	405,000	-	405,000
Broad Street Pump Station Force Main.....	5,460,000	5,400,000	-	-	60,000	-	60,000
South Street Widening.....	80,000	-	-	-	80,000	-	80,000
Water Pollution Control Facility Upgrades.....	18,442,800	-	-	-	18,442,800	-	18,442,800
Broad St. Pump Sta. Force Main Inst.....	1,500,000	631,833	-	-	868,167	-	868,167
Total.....	\$ 207,502,577	\$ 52,711,833	\$ 4,000,000	\$ 3,400,000	\$ 147,390,744	\$ 82,610,365	\$ 64,780,379

Principal Amount of Outstanding Debt ¹
Last Five Fiscal Years

General Obligation

Bonds Payable From:	2016	2015	2014	2013	2012
General Fund ²	\$ 60,208,703	\$ 64,164,390	\$ 70,637,000	\$ 77,193,000	\$ 83,839,000
Water Enterprise Fund ³	2,466,000	3,430,000	3,931,000	4,025,000	4,619,000
Sub-Total	62,674,703	67,594,390	74,568,000	81,218,000	88,458,000

Short-Term Debt

Bond Anticipation Notes	4,500,000	5,000,000	5,300,000	5,810,000	7,410,000
Total	\$ 4,500,000	\$ 5,000,000	\$ 5,300,000	\$ 5,810,000	\$ 7,410,000

¹ Amounts rounded.

² Includes Clean Water Fund Loans.

³ The City has a memorandum of agreement and understanding regarding the financing commitment by the Water Department to ensure the self-funding of the Water Department's debt.

Ratio of Net Long-Term Debt to Valuation, Population and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Estimated Full Value (000s)	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to Assessed Value	Ratio of Net Long-Term Debt to Estimated Full Value	Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ³
2016	\$ 4,239,714	\$ 6,056,734	\$ 60,209	1.42%	0.99%	60,554	\$ 994.30	3.14%
2015	4,246,876	6,066,966	64,164	1.51%	1.06%	60,554	1,059.62	3.34%
2014	4,194,202	5,991,717	70,637	1.68%	1.18%	60,554	1,166.51	3.68%
2013	4,699,667	6,713,810	77,193	1.64%	1.15%	60,554	1,274.78	4.02%
2012	4,644,114	6,634,449	83,839	1.81%	1.26%	60,554	1,384.53	4.37%
2011	4,644,303	6,634,719	89,235	1.92%	1.34%	60,554	1,473.64	4.65%
2010	4,627,188	6,610,268	54,223	1.17%	0.82%	60,554	895.45	2.82%

¹ Exclusive of water debt and school building grants receivable.

² U.S. Bureau of Census, America Community Survey (2011-2015)

³ Income per Capita: \$31,709. U.S. Bureau of Census, American Community Survey (2011-2015).

Ratio of Annual Debt Service Expenditures for Total Long-Term Debt to General Fund Expenditures (GAAP Basis)
(In Thousands)

Fiscal Year Ended 6/30	Principal	Interest	Total Debt Service ¹	Total General Fund Expenditures ²	Ratio of General Fund Debt Service To Total General Fund Expenditures
2017 ³	\$ 6,177	\$ 2,310	8,487	\$ 218,429	3.89%
2016	6,186	2,440	8,626	202,953	4.25%
2015	6,177	2,170	8,347	206,970	4.03%
2014	6,275	2,685	8,960	199,599	4.49%
2013	6,370	3,133	9,503	194,626	4.88%
2012	4,275	2,370	6,645	191,037	3.48%
2011	4,310	1,940	6,250	183,728	3.40%
2010	4,310	2,218	6,528	179,750	3.63%

¹ Excludes the Water Department's debt accounted for in the Enterprise Fund.

² Includes General Fund Expenditures and Transfers-Out.

³ Budgetary Basis.

Source: City of Bristol, Audit Reports 2010-2016. Comptroller's Office, 2017.

VI. Financial Administration

Audit

The City of Bristol, pursuant to local ordinance and provisions of the Connecticut General Statutes (Chapter 111), is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Board of Finance, is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report. For fiscal year ended June 30, 2016, the financial statements of the various funds of the City were audited by RSM US LLP, New Haven, Connecticut.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (“GFOA”) presents a Certificate of Achievement for Excellence in Financial Reporting Award to those applicants who conform to the program’s requirements. The award is valid for one year only.

In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City has not only received the Certificate of Conformance (previous name of award before 1986) for past financial reports, but the City also has received the Certificate of Achievement for Excellence in Financial Reporting for its annual financial report for the last thirty consecutive years including the June 30, 2016 report.

The City feels confident that it meets the program requirements for the award and will continue to participate in the Certificate of Achievement for Excellence in Financial Reporting Program.

Award for Distinguished Budget Presentation

The GFOA presented the Distinguished Budget Presentation Award, which is the highest form of recognition in governmental budgeting, to the City of Bristol for the seventeenth consecutive year for its annual budget for fiscal year ending June 30, 2017. This award reflects the commitment of the governing body and its staff towards meeting the highest principles of governmental budgeting.

The City feels confident that it meets the program requirements for this award, and will continue to participate in the Distinguished Budget Presentation Award Program.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The GFOA presented the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fifteenth consecutive year to the City for the Popular Annual Financial Report for the fiscal year ending June 30, 2016. This award recognizes the recipient’s conformance with the highest standards for preparation of state and local government popular reports.

The City feels confident that it meets the program requirements for the award, and will continue to participate in the Outstanding Achievement in Popular Annual Financial Reporting Award Program.

Budget Procedure

The Board of Finance is the budget making authority for the City. The Board annually adopts a budget calendar outlining the budget process timetable which is summarized below:

- | | |
|--------------------------------------|--|
| Early February | All City Agencies, Boards, Commissions and Departments submit their estimates for receipts and expenditures. |
| Middle February to Early April | Board of Finance holds hearings and budget workshops. |

- 15 Days Prior to 3rd Monday in May or 1st Friday in June, whichever is applicable Board of Finance must adopt a budget and deliver to Council.
- Seven Days Prior to 3rd Monday in May . Publish the budget in a newspaper.
- 3rd Monday in May or 1st Friday in June, as applicable..... Board of Finance and City Council (Joint Board) meet on budget (they may modify only) and adopt tax rate.

The Charter requires that the adopted budget have a balanced relationship between revenues and expenditures as well as the inclusion of pension contributions and debt service requirements. Once adopted, transfers may be authorized by the Board of Finance and, if in excess of \$5,000, transfers must also be approved by the Joint Board. Additional appropriations require Board of Finance and Joint Board approval. The only exception to the above involves appropriations from the Reserve Fund for Capital and Nonrecurring Expenditures under the provisions of Chapter 108 of the Connecticut General Statutes. Appropriations are made based on the recommendation of the Board of Finance and approval by the City’s legislative body, the City Council.

Public Act No. 15-244 created a cap on increase in municipal spending for Connecticut municipalities in order to remain eligible to receive the full amount of certain state revenue sharing grants, commencing July 1, 2017.

Five-Year Capital Improvement Program Summary

Proposed Projects	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Board of Education	\$ 192,765	\$ 5,640,735	\$25,909,470	\$ 160,320	\$29,646,000	\$ 61,549,290
Fire Department	572,000	1,900,000	620,000	2,500,000	4,700,000	10,292,000
General Government	15,000	210,000	-	-	-	225,000
Parks & Recreation	200,000	1,890,000	1,690,000	130,000	180,000	4,090,000
Public Works	5,400,000	8,177,000	3,247,000	3,235,000	4,847,000	24,906,000
Water Pollution Control....	400,000	430,000	3,800,000	5,400,000	200,000	10,230,000
Total	\$ 6,779,765	\$18,247,735	\$35,266,470	\$11,425,320	\$39,573,000	\$111,292,290
Funding Sources						
General Fund Cash.....	\$ 392,765	\$ 400,000	\$ 450,000	\$ 500,000	\$ 500,000	\$ 2,242,765
State & Federal Aid	-	972,360	16,100,820	450,000	18,087,600	35,610,780
WPC CNR Fund.....	400,000	500,000	550,000	400,000	400,000	2,250,000
Other Funds.....	2,385,000	100,000	100,000	100,000	100,000	2,785,000
Bonds	3,602,000	16,275,375	18,065,650	9,975,320	20,485,400	68,403,745
Total	\$ 6,779,765	\$18,247,735	\$35,266,470	\$11,425,320	\$39,573,000	\$111,292,290

On October 26, 2017, the Connecticut Senate and House of Representatives each voted to give final legislative passage to a 2017-2019 biennium budget. On October 31, 2017, the Governor signed the budget legislation into law, other than appropriations in support of a new hospital tax proposal with respect to which the Governor exercised a line-item veto. Under the 2017-2019 biennium budget, the amount of overall State aid to the City is reduced modestly from that received in the fiscal year ending June 30, 2017.

Insurance & Risk Management

In the early 1970s the City of Bristol acquired all of its insurances through a local insurance association. In the middle 1970s, the City ceased this practice and started a practice of selection of qualified agents and brokers to secure and market the City's insurance needs. In the early 1980s, the City hired an insurance consultant through the Request for Proposal (RFP) process to assist the City in identifying exposures and recommend types of insurance to be secured. The selection process for the consultant and qualified brokers is repeated every four to five years.

In 1985, the City established a Workers’ Compensation self-insurance program to be administered by a third party, Constitution State Services Co. (Travelers). The program ran through June 30, 1988. The program was terminated due to lack of adequate availability of excess liability insurance for self-insured. This self-insurance fund will be maintained until all outstanding claims are closed. After a thorough analysis between the City's legal department and Travelers, it was determined that \$150,000 should be sufficient funding for all open claims. A periodic review is conducted to ensure adequate funding, therefore, as of June 30, 2015, a balance of \$150,000 was available to pay claims.

Starting in 1988, in addition to use of the private sector insurers, the City utilized a Municipal Insurance Pool operated by Connecticut Interlocal Risk Management Association ("CIRMA"). The use of both the private sector and the Municipal Insurance Pool made for better competition at the time.

Due to rising insurance rates, the Board of Finance decided in July 2003 to self-insure its Workers' Compensation program. The program is administered by a third party, PMA Management Corp. of New England.

The City constantly analyzes the advantages of self-insurance and identifying programs for self-insurance.

In September 1988, the decision was also made to self-insure the City's Hospital, Medical Surgical, Dental and Major Medical Benefits. A Special Fund was established for this program. An internal service fund was then established for this program in 1993. Effective July 1, 2010 the administrators of the plans changed to Cigna for medical and Medco for prescription from Anthem Blue Cross/Blue Shield. Segal Consulting provides the City of Bristol and Board of Education with employee Health and Benefits insurance consulting services. As of June 30, 2016, the Health Insurance Benefit Fund had in excess of \$12.8 million which was all available for future claims.

The City of Bristol has not had any problems in securing or meeting its insurance needs.

Investment Practices for Operating Funds

The City's operating and working capital funds are invested at the direction of the City Treasurer in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) overnight repurchase agreements collateralized by U.S. government agency obligations such as Federal Home Loan Mortgage Corporation which are valued daily; and (3) overnight U.S. Treasury obligations.

In addition, the City monitors the risk based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382, for which it places deposits or makes investments.

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, including Section 7-400 and 7-402. Please refer to Note 15 in the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2016.

Investment Practices for Pension Plans

The City provides three pension plans which cover substantially all employees of the City. In 1969 the City adopted the Retirement Ordinance, pursuant to the City Charter, amended 1969. The pension plan provides retirement systems for Bristol's municipal employees, police and firefighters. It also empowers the Retirement Board and the Boards of Trustees of the Police and Firefighters' Benefit Funds to oversee the management and administration of the funds. Teachers are covered under the Connecticut State Teachers' Retirement System.

The Retirement Ordinance establishes that decision-making authority regarding investments is entrusted to the Pension Boards ("Boards"), while the City Treasurer and Comptroller, as Custodian and Secretary of the Municipal Employees' fund respectively, and the Treasurer and Mayor, as custodians of the Police and Firefighters' Benefit Funds, respectively, carry out the directives of the three Pension Boards.

Investment Objectives and Guidelines

A. Philosophy

The Boards are to follow generally accepted mandates comparable to the Employee Retirement Income Security Act ("ERISA"). The policy's purpose for the investment of the funds is to provide benefits to the participants and their beneficiaries of the pension plan and to defray reasonable expenses for the administration of the plan.

B. Investment Policy

These objectives relate to the total fund as it relates to all of the various managers that have responsibility for managing the assets of the fund.

1. To achieve a favorable relative return on the total funds invested, as compared with the inflation rate, the common stock market, the bond market, real estate market, cash equivalents and other similar funds with similar objectives.
2. Long-term growth and preservation of capital.
3. An average absolute rate of return of 8.0% per year over a five year period.
4. While income is currently not required, nor is it expected to be required for the foreseeable future, an overall target yield of 3 to 5% per annum is desired.

C. Investment Guidelines - Asset Allocation

The general asset mix of the total portfolio should be as indicated below:

	<u>Maximum</u>	<u>Target</u>	<u>Minimum</u>
Fixed Income	50%	30%	25%
High Quality	50	25	25
International	10	2.5	0
High Yield	10	2.5	0
Common Stocks	75	60	35
Large Capitalization	45	25	10
Mid-Capitalization ¹	20	7.5	5
Small Capitalization ¹	20	7.5	5
International ²	20	15	5
Real Estate Investment Trusts	7.5	5	0
Alternative Investments ³	15	10	0

¹ *Small Capitalization and Mid-Capitalization equities are to be combined for their percentage allocation in the total portfolio.*

² *Included as part of the International asset class shall be an allocation to emerging markets.*

³ *Alternative Investments shall include Hedge Funds, Venture Capital, Private Equity and Real Estate Investment Trusts.*

D. Permissible Investments

Common Stocks, Real Estate, Convertible Securities, Preferred Stock, Corporate Bonds (investment grade or better, unless otherwise specified), U.S. Government Bonds & Agencies of the U.S. Government, Commercial Paper, Money Market Funds, Participating Mortgages, Zero Coupon Bonds (Government & Corporate), Limited Partnerships, Mutual Funds, and Foreign Stocks and Bonds.

E. Prohibited Transactions

Selling Short, Commodities, Letter or Restricted Securities, Naked Options, Options and Futures.

F. Investment Managers

Investment managers are hired to diversify risk and add complimentary investment styles. Each manager is provided a copy of the general guidelines and policies of the Board with regard to the total fund and to their particular role if multiple managers are being used.

G. Periodic Reviews

The Board meets with each manager, consultant, actuary and custodian periodically. Each manager is interviewed at least once a year or more frequently, if necessary. The managers' strategy is discussed relative to the current environment.

H. 2015 Experience Study

Our actuaries, Milliman Inc. performed a 5 year experience study in July 2016. The study objectives were approved. They are to bring actuarial assumptions in line with recent experience, and reflect emerging long-term trends. Government Finance Officers Association (GFOA) best practice recommends an experience study be performed every five years.

Actuarial Assumptions

The actuarial firm of Milliman, Inc. performs an annual valuation for all the City retirement plans. Each of the assumptions used in the valuation was set based on a formal study of the plan's experience for the period of July 1, 2011 through June 30, 2015 which reflected industry standard published tables and data, for the particular characteristics of the plan, relevant information from the plans' sponsor or other sources about future expectation and professional judgement regarding future plan experience.

Interest:	7.4% (Prior 7.5%) This assumption will decline by 0.1% until it reaches 7.0%.
Expenses:	None
Mortality:	Current: RP- 2000 Mortality Table for Employees and Healthy Annuitants with generational projection 20% phase-in from Scale AA to BB. The projection scale will continue to be phased in by 20% each year. This assumption includes a margin for mortality improvements beyond the valuation date. Prior: PR-2000 Mortality Table for Employees and Healthy Annuitants with generational projection per Scale AA.
Percent Married:	Current: 80% of active members are assumed to have an eligible spouse.
Age of Spouse:	The female spouse is assumed to be three years younger than the male spouse.

City Retirement System

Salary Scale: Salaries are assumed to increase at the following rates

Age	Current Rate	Prior Rate
25 and below	6.75%	6.25%
30	5.75%	5.75%
35	5.00%	5.25%
40	4.50%	5.00%
45	4.00%	4.50%
50	3.75%	4.25%
55	3.50%	3.75%
60 and above	3.25%	3.50%

Retirement Age: According to the Rule of 80 but not before age 55, unless age and service is equal to 85.

Disability: 50% of the 1985 Pension Disability Table. Class 1. 40% of disabilities are assumed to be service-connected and 60% are assumed to be non-service connected.

Form of Payment: Retirement benefits are assumed to be paid as a life annuity for current active members. The actual payment form elected is reflected for current retired members.

Turnover: Rates according to the following table:

Age	Current Rate	Prior Rate
20	18.00%	12.0%
25	18.00%	12.0%
30	12.00%	9.0%
35	7.00%	4.5%
40	5.00%	3.0%
45	2.50%	2.0%
50	1.75%	1.0%
55	1.00%	0.%

Retirement:

Members who have satisfied normal retirement eligibility are assumed to retire according to the following rates:

Current:

<u>Age</u>	<u>Attained Rule of 80</u>	<u>Not Yet Attained</u>
53-54	10%	0%
55-56	22%	1%
57-59	20%	1%
60-61	25%	2%
62	25%	5%
63	28%	5%
64	25%	5%
65	20%	10%
66-69	30%	10%
70	100%	100%

Prior:

<u>Age</u>	<u>Attained Rule of 80</u>	<u>Not Yet Attained</u>
55-59	15%	3%
60-69	25%	10%
70	100%	100%

Compensated Absences:

Current: The Actuarial Accrued Liability and Normal Cost have been increased by 5% for active Board of Education members and 13% for active General City members in order to reflect an explicit assumption regarding compensated absences.

Prior: The Actuarial Accrued Liability and Normal Cost have been increased by 7% for Board of Education members and 12% for active General City members in order to reflect an explicit assumption regarding compensated absences.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Accrued Liability (AAL) (b) (000s)	Funded (Unfunded) AAL (UAAL) (a-b) (000s)	Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ 207,698	\$ 143,268	\$ 64,430	145.0%	\$ 30,309	212.6%
7/1/2009	203,537	150,284	53,253	135.4%	30,783	173.0%
7/1/2010	202,904	156,145	46,759	129.9%	30,610	152.8%
7/1/2011	200,861	161,266	39,595	124.6%	31,280	126.6%
7/1/2012	198,149	170,641	27,508	116.1%	31,095	88.5%
7/1/2013	205,783	177,167	28,616	116.2%	30,661	93.3%
7/1/2014	215,541	184,009	31,532	117.1%	30,661	102.8%
7/1/2015	215,653	189,863	25,790	113.6%	30,263	85.2%
7/1/2016	214,378	209,554	4,824	102.3%	33,424	14.4%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Amount Contributed	Percentage Contributed
6/30/2012	\$ -	\$ -	n/a
6/30/2013	-	-	n/a
6/30/2014	605,000	228,000	37.7%
6/30/2015	507,245	127,325	25.1%
6/30/2016	352,543	44,000	12.5%
6/30/2017	756,393	1,064,936	140.8%
6/30/2018	2,811,055	2,811,055 ¹	100.0%

¹ Budgeted.

Police and Firefighter's Benefit Funds

The actuarial assumptions and actuarial cost method used to determine costs and actuarial liabilities under these Police and Firefighter's plans are as outlined below:

Disability: 1985 Pension Disability Table. Class 4. 100% of disabilities are assumed to be service-connected.

Average Age at Retirement: When 25 years is completed for Police; and 25 years of service for Firefighters. Maximum age 65.

Salary Scale:

Age	Fire Current Rate	Fire Prior Rate
25 and below	7.00%	8.00%
30	5.00%	5.75%
35	4.00%	4.50%
40	3.75%	4.00%
45	3.50%	3.75%
50 and above	3.25%	3.50%

Turnover

Age	Fire Current Rate	Fire Prior Rate
20	5%	0%
25	5%	0%
30	2%	0%
35 and above	0%	0%

Age	Police Current Rate	Police Prior Rate
20	5.0%	2.0%
25	5.0%	2.0%
30	2.0%	1.5%
35	1.0%	1.0%
40	1.0%	0.0%
45	1.0%	0.0%
50	0.0%	0.0%

Retirement

Age	Police Current Rate	Police Prior Rate
47-49	25%	15%
50	40%	20%
51-54	25%	20%
55-57	25%	40%
58-59	40%	40%
60-64	30%	50%
65+	100%	100%

Age	Fire Current Rate	Fire Prior Rate
49	10%	0%
50-54	5%	10%
55-56	10%	15%
57-59	15%	15%
60	50%	50%
61	70%	50%
62-64	40%	50%
65+	100%	100%

Annuity Election:

85% of active members are assumed to elect a 50% Joint & Survivor Annuity and 15% of active members are assumed to elect Life Annuity.

Pension Escalation:

Fire:

Pre July 1, 1999 retirees: 3.25% per year (Prior 3.50% per year)

Retirees between July 1, 1999 and June 30, 2003: 2.50% per year.

Post June 30, 2003 retirees: 2.25% per year.

Police:

Current: Pre- December 15, 2002 retirees: 3.25% per year.

Prior: Pre- December 15, 2002 retirees: 3.50% per year

Post – December 15, 2002 retirees: 2.25% per year

Compensated Absences:

The Actuarial Accrued Liability and Normal Cost have been increased by 9% for Police and 11% for Fire active members in order to reflect an explicit assumption regarding compensated absences.

Firefighters' Benefit Fund

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Liability (AAL) (b) (000s)	Funded (Unfunded) AAL (UAAL) (a-b) (000s)		Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ 155,198	\$ 61,374	\$ 93,824		252.9%	\$ 5,219	1797.7%
7/1/2009	155,135	61,873	93,262		250.7%	5,275	1768.0%
7/1/2010	157,354	62,506	94,848		251.7%	5,454	1739.1%
7/1/2011	159,247	66,073	93,174		241.0%	5,521	1687.6%
7/1/2012	160,794	65,874	94,920		244.1%	5,582	1700.5%
7/1/2013	170,795	66,094	104,701		258.4%	5,556	1884.5%
7/1/2014	183,077	70,318	112,759		260.4%	5,556	2029.5%
7/1/2015	189,028	70,975	118,053		266.3%	5,543	2129.8%
7/1/2016	193,894	71,307	122,587		271.9%	5,771	2124.2%

Police Benefit Fund

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Liability (AAL) (b) (000s)	Funded (Unfunded)		Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
			AAL (UAAL) (a-b) (000s)	Percentage Funded (a/b)		
7/1/2008	\$ 170,638	\$ 77,990	\$ 92,648	218.8%	\$ 7,421	1248.5%
7/1/2009	170,404	83,227	87,177	204.7%	8,377	1040.7%
7/1/2010	172,814	86,099	86,715	200.7%	8,295	1045.4%
7/1/2011	175,219	91,283	83,936	192.0%	7,838	1070.9%
7/1/2012	176,389	95,527	80,862	184.6%	8,215	984.3%
7/1/2013	186,283	107,921	78,362	172.6%	8,498	922.1%
7/1/2014	198,869	108,899	89,970	182.6%	9,140	984.4%
7/1/2015	204,042	112,609	91,433	181.2%	9,140	1000.4%
7/1/2016	207,818	123,077	84,741	168.9%	9,258	915.3%

Because both the Police and Firefighter pension plans have funded ratios well in excess of 100%, there have been no Annual Required Contributions from the City in the last five fiscal years.

GASB 67 Disclosure – ALL PLANS

Governmental Accounting Standards Board Statement No. 67 (“GASB 67”) requires a determination of the Total Pension Liability (“TPL”) for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability (“NPL”) is then set equal to the TPL minus the plan’s Fiduciary Net Position (“FNP”) which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate (“SEIR”). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The City of Bristol has received an actuarial report prepared as of June 30, 2016 containing information to assist the City in meeting the requirements of GASB 67. This report indicated the following results as of June 30, 2016 in accordance with GASB 67:

	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund
Total Pension Liability.....	\$ 204,245,167	\$ 71,680,982	\$ 115,955,470
Fiduciary Net Position.....	194,816,830	176,761,155	189,380,619
Net Pension Liability.....	9,428,337	(105,080,173)	(73,425,149)
Ratio of Fiduciary Net Position to Total Pension Liability.....	95.38%	246.59%	163.32%

The report for the Plan as of June 30, 2016 used its long term investment rate of 7.50% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used, which would impact the NPL as follows:

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

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. The City is not required to, and does not, contribute to this plan.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 14” herein.

Education

Teachers and administrators, who belong to the retirement program provided by the State Teachers' Retirement Board, contribute 7.25% (6% + 1.25% health insurance). The State of Connecticut makes appropriations from the General Fund for its contributions to the Retirement Fund. The contributions are calculated using the terminal funding method. Neither the City nor the Board of Education is required to currently contribute to the Retirement Fund. Governor Malloy has proposed municipalities pay 33% of future teacher retirement costs.

Other Post-Employment Benefits

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees in accordance with City Council resolutions and bargaining agreements. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

The City commissioned the actuarial firm of Aon Hewitt to perform an analysis of its estimated basic liability for post-employment benefits as of July 1, 2015. The following is a detailed analysis, as of the most recent valuation.

Net OPEB Obligations

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Liability (AAL) (b) (000s)	Funded (Unfunded) AAL (UAAL) (a-b) (000s)	Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ -	\$ 72,000	\$ (72,000)	0.0%	\$ 70,000	-102.9%
7/1/2010	-	64,510	(64,510)	0.0%	91,807	-70.3%
7/1/2012	1,847	75,052	(73,205)	2.5%	88,563	-82.7%
7/1/2014	4,440	60,733	(56,293)	7.3%	96,521	-58.3%
7/1/2016	6,128	70,897	(64,769)	8.6%	98,287	-65.9%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Amount Contributed	Percentage Contributed
6/30/2012	\$ 7,883,000	\$ 4,756,449	60.3%
6/30/2013	7,528,000	4,456,576	59.2%
6/30/2014	9,322,000	4,446,594	47.7%
6/30/2015	8,768,000	3,156,480	36.0%
6/30/2016	7,308,579	3,961,206	54.2%

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2017-2019 biennium budget legislation does not provide for funding the municipal revenue sharing grant in fiscal year 2018 and fiscal year 2019, however, funding will resume after July 1, 2019. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills. The 2017-2019 biennium budget legislation increases the mill rate to 39 mills for fiscal year 2018 and 45 mills for fiscal year 2019. The City has issued tax bills for fiscal year 2018 based on the 32 mills rate and does not anticipate issuing supplemental bills to make up for the difference.

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**Four Year Summary of General Fund Revenues and Expenditures (GAAP)
and Projected Results and Adopted Current Budget (Budgetary Basis)
(In Thousands)**

	Budget 2018¹	Projected 2017¹	Actual 2016	Actual 2015	Actual 2014	Actual 2013
Revenues:						
Taxes and assessments	\$ 139,258	\$ 140,289	\$ 133,111	\$ 132,636	\$ 126,853	\$ 124,611
Interest and lien fees	775	1,138	920	954	904	1,024
Licenses and permits	1,127	1,380	1,283	988	939	881
Intergovernmental ²	47,098	73,028	65,965	67,491	64,980	64,542
Charges for Services	2,704	3,944	3,505	3,340	3,304	3,049
Investment Income	331	458	366	318	253	203
Sale of property and equipment	75	70	-	-	-	-
Miscellaneous	465	699	2,168	2,030	905	970
Total Revenues	191,833	221,006	207,318	207,757	198,138	195,280
Expenditures:						
General government	6,213	6,111	5,866	5,804	5,574	5,640
Public safety	24,502	23,964	22,549	22,601	21,958	21,956
Public works	11,979	13,627	12,340	13,611	12,996	11,758
Health and Welfare	3,437	6,354	6,467	6,273	5,700	5,720
Libraries	2,136	2,025	2,073	1,981	1,997	1,944
Parks and Recreation	2,437	2,465	2,428	2,342	2,198	2,267
Education ²	95,839	115,559	105,975	104,561	102,684	98,435
Employee Benefits	4,197	3,585	3,632	3,108	3,719	3,349
Insurance ³	27,905	30,045	27,289	30,653	820	586
Miscellaneous	2,787	1,261	541	768	379	946
Debt Service	-	-	-	-	-	-
Total Expenditures.....	181,432	204,996	189,160	191,702	158,025	152,601
Operating Results	10,401	16,010	18,158	16,055	40,113	42,679
Other Financing Source (Uses):						
Operating transfers in & Other	3	13	74	6	2,288	15
Operating transfers (out)	(10,404)	(13,433)	(13,793)	(15,268)	(41,574)	(42,025)
Refunding bonds issued.....	-	-	-	-	-	-
Premium on refunding bonds issued.....	-	-	-	-	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	-	-
Net Other Financing Sources (Uses)	(10,401)	(13,420)	(13,719)	(15,262)	(39,286)	(42,010)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses.....						
Fund Balance, July 1	N/A	36,156	31,719	30,926	30,099	29,430
Restatement	-	-	(2)	-	-	-
Fund Balance, June 30	N/A	\$ 38,746	\$ 36,156	\$ 31,719	\$ 30,926	\$ 30,099

¹ Budgetary Basis. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

² Actual and projected years include State Teachers Retirement Contribution on behalf payment.

³ Insurance includes Property, Casualty, Worker's Compensation, Heart & Hypertension and medical for all City and Board of Education employees.

Analysis of General Fund Equity

	Actual (Unaudited) 2017¹	Actual 2016	Actual 2015	Actual 2014	Actual 2013	Actual 2012
Nonspendable.....	\$ -	\$ 9	\$ 1	\$ 2	\$ 3	\$ 2
Restricted.....	-	-	-	-	-	-
Committed.....	3,094	3,065	3,057	3,856	3,835	3,848
Assigned.....	7,909	4,346	2,053	1,113	2,112	1,617
Unassigned.....	27,744	28,737	26,606	25,955	24,149	23,963
Total Fund Balance.....	\$ 38,747	\$ 36,157	\$ 31,717	\$ 30,926	\$ 30,099	\$ 29,430

¹ Budgetary Basis. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

Enterprise Fund

The Enterprise Fund is used to account for the operations of the Bristol Water Department. These operations are financed and operated in a manner similar to that of a private business enterprise, utilizing the accrual basis of accounting, where the intent is that all costs (including depreciation), related to the provision of goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Statement of Revenues, Expenses and Changes in Fund Balance (In Thousands)

	Actual 2016	Actual 2015	Actual 2014	Actual 2013	Actual 2012
Operating Revenues:					
Charges for services	\$ 7,047	\$ 6,973	\$ 6,855	\$ 6,866	\$ 6,583
Miscellaneous	384	372	352	393	255
Total Operating Revenues	7,431	7,345	7,207	7,259	6,838
Operating Expenses:					
Source of supply	215	232	205	179	194
Pumping	288	270	295	307	291
Purification	956	962	1,027	1,047	1,127
Transmission and distribution	2,023	1,854	1,592	2,007	1,837
Customer accounts, administrative and general.....	2,218	2,192	2,148	1,967	2,031
Depreciation	1,086	1,008	945	1,060	860
Taxes other than income taxes	488	507	423	437	281
Loss on disposal	-	-	-	-	-
Total Operating Expenses.....	7,274	7,025	6,635	7,004	6,621
Operating Income (Loss)	157	320	572	255	217
Non-Operating Revenue (Expenses):					
Interest income (loss)	(203)	(101)	674	405	(329)
Interest expense	(116)	(135)	(269)	(52)	(141)
Other, net	-	-	-	-	-
Loss on disposal	-	-	-	(6)	(7)
Amortization of debt discount and expense....	8	(8)	(5)	(4)	(6)
Total Non-Operating Revenues (Expenses)	(311)	(244)	400	343	(483)
Income (loss) before capital contribution and operating transfers	(154)	76	972	598	(266)
Capital Contribution	-	702	28	25	27
Change in Net Assets.....	(154)	778	1,000	623	(239)
Fund Balance, July 1	27,182	26,404	25,404	24,781	25,020
Fund Balance, June 30	\$ 27,028	\$ 27,182	\$ 26,404	\$ 25,404	\$ 24,781

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**Bristol Water Department
Balance Sheet
June 30, 2016
(In Thousands)**

Assets and Other Debits	
Current Assets:	
Cash and cash equivalents	\$ 1,637
Investments	4,503
Receivables, net	1,452
Inventories	245
Other assets	4
Total Current Assets	7,841
Noncurrent Assets:	
Other deferred charges	-
Capital assets:	
Assets not being depreciated.....	3,812
Assets being depreciated, net.....	19,690
Total Noncurrent Assets	23,502
Total Assets	\$ 31,343
Deferred Outflows of Resources	
Deferred charge on refunding	103
Total Deferred Outflows of Resources	\$ 103
Liabilities, Equity and Other Credits	
Current Liabilities:	
Accounts and contracts payable	551
Payroll liabilities	52
Customer deposits	94
Unearned revenues	-
Compensated absences	53
Bonds payable - current	502
Notes payable - current.....	36
Total Current Liabilities	1,288
Non-current Liabilities:	
Compensated absences	259
Bonds payable	2,138
Notes payable	732
Total Noncurrent Liabilities	3,129
Total Liabilities	4,417
Net Assets:	
Invested in capital assets, net of related debt	20,196
Unrestricted	6,833
Total Net Assets	27,029
Total Liabilities and Fund Equity	\$ 31,446

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VII. Legal and Other Information

Litigation

It is the opinion of the City's Corporation Counsel, Edward C. Krawiecki, Jr., that pending litigation will not be finally determined so as to result individually, or in the aggregate, in final judgments against the City which would materially adversely affect its financial position.

Transcript and Closing Documents

Upon delivery of the Bonds, the Underwriter will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the City, signed by the Mayor, Chairman and Agent of the Board of Finance, and the Comptroller which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that on the date the Contract of Purchase is executed, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. A copy of the Escrow Agreement pertaining to the Refunded Bonds.
7. Any other documents required by the Contract of Purchase for the Bonds.

A reasonable number of additional copies of the Official Statement may be obtained by the Underwriter by arrangement with the printer. A record of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank National Association, Goodwin Square, 23rd Floor, 225 Asylum Street, Hartford, Connecticut 06103 and may be examined upon reasonable request.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser or holders of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representation of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the City from official and other sources and is believed by the City and the Underwriter to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City or the Underwriter and its accuracy is not guaranteed.

The following officials in their capacity as officers of the City, and in the name and on behalf of the City, do hereby certify in connection with this issue, that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the City and its finances are true and correct, as of the date of this Official Statement, in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

CITY OF BRISTOL, CONNECTICUT

/s/ Kenneth B. Cockayne

KENNETH B. COCKAYNE, *Mayor*

/s/ Cheryl Thibeault

CHERYL THIBEAULT, *Chairman and Agent of the Board of Finance*

/s/ Diane M. Waldron

DIANE M. WALDRON, *Comptroller*

Dated: November 2, 2017

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Appendix A

General Purpose Financial Statements (Excerpted from the City's Comprehensive Annual Financial Report)

The following includes the General Purpose Financial Statements of the City of Bristol, Connecticut for the fiscal year ended June 30, 2016. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite #1, Milford, Connecticut. Telephone (203) 878-4945.

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Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bristol, Connecticut as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit as of and for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bristol, Connecticut's basic financial statements. The introductory section, combining and individual fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bristol, Connecticut, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated December 31, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The accompanying General Fund, Water, Enterprise Fund, Internal Sewer Fund and Pension Trust Funds schedules ("Schedules") as of June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2015 financial statements. The accompanying Schedules have been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2016 on our consideration of the City of Bristol, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bristol, Connecticut's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 23, 2016

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

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

FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

- *Governmental activities* – Most of the City's basic services are reported here, including education, public safety, public works, health and welfare, libraries, parks and recreation, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business - type activities* – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Water Department operations are reported here.
- *Component units* – The City includes one separate legal entity in its report; the Bristol-Burlington Health District. Although legally separate, this "component unit" is important because the City is financially accountable for it.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by Charter. However, the City Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Projects Fund and Debt Service Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the State Department of Education and the Federal Department of Housing and Public Administration. The City's funds are divided into three categories; governmental, proprietary and fiduciary.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position decreased from a year ago from \$565 million to \$557 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

TABLE 1
SUMMARY SCHEDULE OF NET POSITION

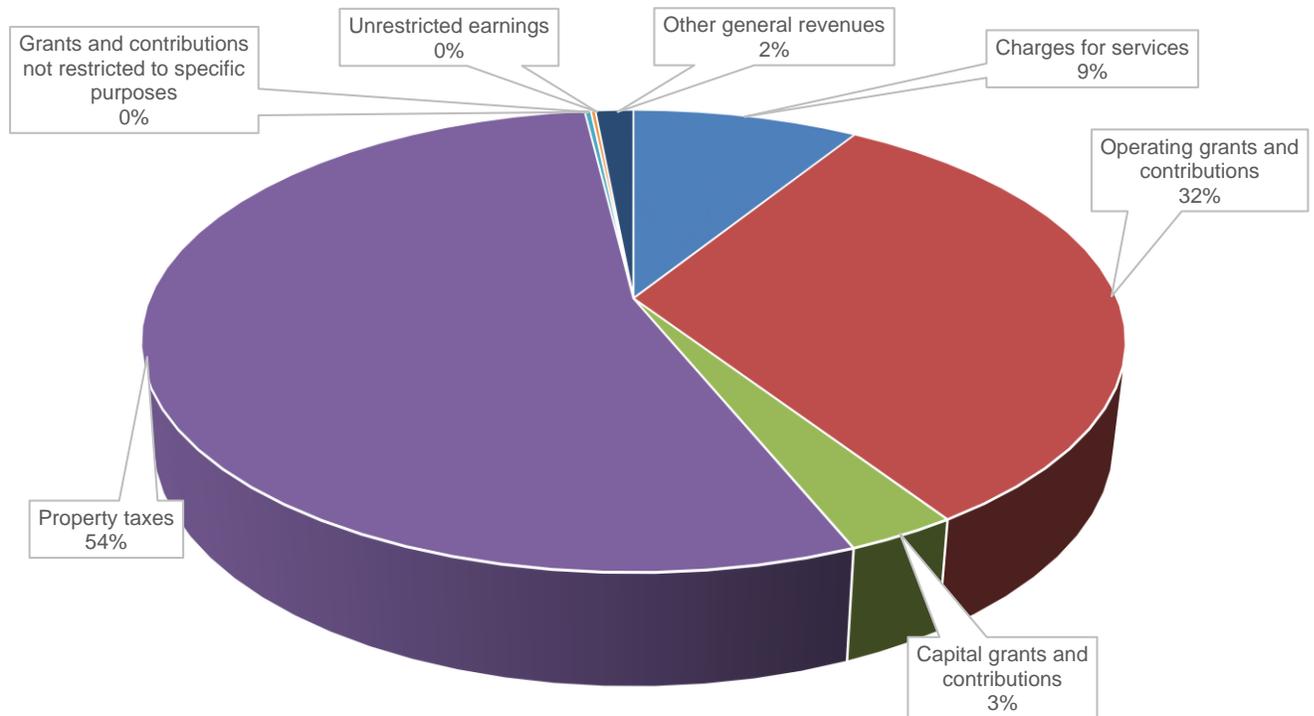
	Governmental Activities		Business-Type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Current Assets	\$ 284,411,692	\$ 312,322,601	\$ 7,841,354	\$ 7,974,680	\$ 292,253,046	\$ 320,297,281
Capital Assets, Net of						
Accumulated Depreciation	334,974,822	332,402,539	23,501,963	23,676,558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

Net position of the City's governmental activities decreased by 1.4% or \$7.4 million compared to a prior increase of \$6.6 million. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements is \$260.4 million at the end of this year. The net position of business-type activities decreased by \$155 thousand in 2016 compared to 2015.

TABLE 2

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

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



Governmental Activities

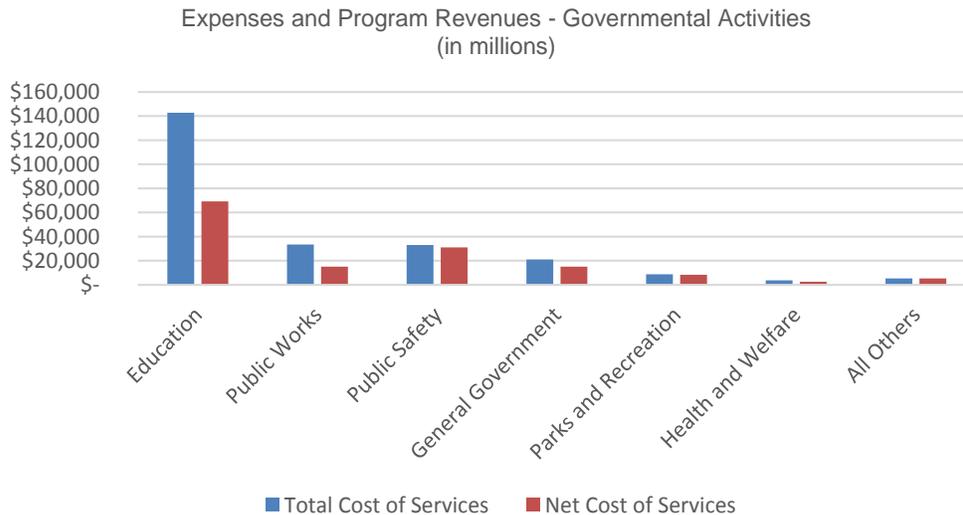
Governmental Activities decreased the City of Bristol's net position by \$7.4 million. The prior year increase in net position was \$6.6 million. Key elements of this increase with offsetting decreases are as follows:

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

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

**TABLE 3
GOVERNMENTAL ACTIVITIES**

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



Business-Type Activities

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

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

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$ 43.5 million.

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

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

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

Proprietary Funds

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

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

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

General Fund Budgetary Highlights

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

Estimated Revenues:

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

Appropriations:

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

Large transfer amounts usually signify unusual circumstances. For instance:

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the City had \$358.5 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines – Table 4. This amount represents a net increase (including additions and deductions) of \$2.4 million, or .7%, over last year.

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

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

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

Land

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

Construction in progress

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

Buildings

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

Improvements other than buildings

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

Machinery and Equipment

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

Infrastructure

- Increase is for road improvements.

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

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

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

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

Long-term Debt

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

TABLE 5
OUTSTANDING DEBT, AT YEAR-END

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

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

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

The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The City’s outstanding general obligation debt is significantly below this \$938.45 million state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City’s elected and appointed officials considered many factors when setting the fiscal-year 2016 budget tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the City remains constant at 6.98% versus 6.98% a year ago. This compares with the State’s unemployment rate of 6.2% (not seasonally adjusted) and the national rate of 4.9%. (Source: CT Department of Labor, 2015 Average).

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

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

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

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

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

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Comptroller's Office, City of Bristol, 111 North Main Street, Bristol, Connecticut, 06010.

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Basic Financial Statements

Statement of Net Position
June 30, 2016

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

See notes to financial statements.

Statement of Activities
For the Year Ended June 30, 2016

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

See notes to financial statements.

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

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

(Continued)

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

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

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

See notes to financial statements.

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

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

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

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

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

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

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

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

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

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

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

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

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

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

567,308

Change in net position of Governmental Activities (Exhibit II)

\$ (7,378,313)

See notes to financial statements.

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

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

See notes to financial statements.

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

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

See notes to financial statements.

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

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

See notes to financial statements.

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

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

See notes to financial statements.

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

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

See notes to financial statements.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

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

Related organization:

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

Joint Venture:

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Government-wide and fund financial statements: The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits which are recorded only when payment is due (matured).

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

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

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

The City reports the following major proprietary fund:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

The three categories within the hierarchy are as follows:

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

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

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

See Note 3 for additional information regarding fair value.

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Capital assets: Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs.

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Long-term obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Pension accounting:

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

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

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

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

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

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

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

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

Nonspendable fund balance: This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Note 2. Stewardship, Compliance and Accountability

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

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

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

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

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

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

Also, in accordance with the provisions of GASB Statement No. 24, the City has reported on-behalf payments made by the State of Connecticut into the teachers' retirement system in the Governmental Funds.

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

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

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

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

Deposits:

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

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

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

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

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

* Subject to coverage by federal depository insurance and collateralization.

City of Bristol, Connecticut

Notes to Financial Statements

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

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City nor the pension plans have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the City includes asset allocation percentage ranges for its pension plans to assist in limiting interest rate risk.

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

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

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

Rcit Large Cap Value E Equity Fund CI C	\$32,840,004
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Custodial credit risk: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2016, \$111,120,713 of the City's bank balance of \$125,878,135 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

Investments Measured at the NAV

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 4. Receivables

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

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

Total allowance amounts are as follows:

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 5. Capital Assets

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

Primary government:

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

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

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

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 6. Interfund Receivables, Payables and Transfers

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

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

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

Interfund transfers:

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

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

Note 7. Leases

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and loans payable:					
General obligation bonds and Clean Water Fund loans	\$ 64,164,390	\$ 9,841,097	\$ 13,796,784	\$ 60,208,703	\$ 6,462,235
Premium on general obligation bonds	2,786,436	488,252	321,536	2,953,152	-
Total bonds payable	66,950,826	10,329,349	14,118,320	63,161,855	6,462,235
Compensated absences	7,303,304	1,197,433	412,769	8,087,968	1,286,918
Landfill post closure care	1,562,944	1,313	63,000	1,501,257	63,000
Net OPEB obligation	28,307,518	2,921,304	-	31,228,822	-
Net pension liability	-	9,428,337	-	9,428,337	-
Unpaid claims	13,538,929	31,661,961	32,899,895	12,300,995	6,713,469
Total governmental activities long-term liabilities	\$ 117,663,521	\$ 55,539,697	\$ 47,493,984	\$ 125,709,234	\$ 14,525,622
Business-type Activities					
Bonds and loans payable:					
General obligation bonds and Clean Water Fund loans	\$ 2,951,000	\$ 193,000	\$ 678,000	\$ 2,466,000	\$ 476,000
Premium on general obligation bonds	184,864	15,101	25,795	174,170	25,795
Notes payable	516,236	344,155	92,398	767,993	35,796
Total bonds payable and notes payable	3,652,100	552,256	796,193	3,408,163	537,591
Compensated absences	297,065	30,747	15,747	312,065	53,327
Total business-type activities	\$ 3,949,165	\$ 583,003	\$ 811,940	\$ 3,720,228	\$ 590,918
Component Unit					
Compensated absences	\$ 91,462	\$ 18,456	\$ 24,039	\$ 85,879	\$ 47,893

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-term Liabilities (Continued)

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

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

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

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

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

Note 9. Landfill Closure

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 10. Risk Management

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 11. Fund Balance (Deficits)

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 12. Contingent Liabilities

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

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

Note 13. Other Post-Employment Benefits

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

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

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

Funding policy: The City has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees.

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

Annual OPEB cost and net OPEB obligations: The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

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

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

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

Schedule of funding progress:

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

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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

In the July 1, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The ARC reflects a closed 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 5% investment rate of return and inflation rate of 3%. The annual healthcare cost trend rate is 10% initially, grading down to 4.5% in year 2023 and thereafter.

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

Note 14. Employee Retirement Systems and Pension Plans

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

At July 1, 2015, PERS membership consisted of:

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

Summary of significant accounting policies and plan asset matters:

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2016:

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

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

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

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

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

Notes to Financial Statements

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

Changes in the Net Pension Liability (Asset)

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

Changes in the Net Pension Asset

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

City of Bristol, Connecticut

Notes to Financial Statements

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

Changes in the Net Pension Asset

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 (see the discussion of the pension plan's investment policy), are summarized in the following table:

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

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

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

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

Notes to Financial Statements

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

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

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

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

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

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

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

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

Note 15. Governmental Accounting Standards Board (GASB) Statements

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

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

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

City of Bristol, Connecticut

Notes to Financial Statements

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

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

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

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

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

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

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

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

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

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**Required Supplementary
Information - Unaudited**

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

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

(Continued)

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

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

(Continued)

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

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

Budgetary revenues are different than GAAP revenues because:

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

13,692

13,776

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

\$ 207,393

\$ 207,763

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

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

Schedule of Funding Progress - OPEB

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

Schedule of Employer Contributions - OPEB

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Schedule

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

Methods and Assumptions Used to Determine Contribution Rates

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

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

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

Notes to Schedule

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

Methods and Assumptions Used to Determine Contribution Rates

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

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

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

Notes to Schedule

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

Methods and Assumptions Used to Determine Contribution Rates

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

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

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

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

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

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

Appendix B

Opinion of Bond Counsel and Tax Exemption

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APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the initial purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the City authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the initial purchaser.

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

City of Bristol
Bristol, Connecticut

We have represented the City of Bristol, Connecticut as Bond Counsel in connection with the issuance by the City of \$25,435,000 General Obligation Refunding Bonds, Issue of 2017, Series B, dated as of November 9, 2017.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the City of Bristol is authorized to issue the Bonds; the City is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the City when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the City has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the City without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The City officials authorized to issue the Bonds have executed written representations and agreements on behalf of the City relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, but in the case of

corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

Interest Excluded From Gross Income. The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The City officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the City relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes.

Alternative Minimum Tax. The Code imposes an alternative minimum tax on individuals and an alternative minimum tax on corporations. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The City's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

The Code provides, however, that for most corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds will **not** be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of

determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Owners of the Bonds having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

GENERAL.

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or any changes in law or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

Appendix C

Form of Continuing Disclosure Agreement

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the City substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds.

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of November 9, 2017 by the City of Bristol, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$25,435,000 General Obligation Refunding Bonds, Issue of 2017, Series B, dated as of November 9, 2017 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated November 2, 2017 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2017) as follows:

(i) Financial statements of the Issuer's general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,

- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt and total net debt as of the close of the fiscal year,
- (F) total direct debt and total net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total net debt of the Issuer to the net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Comptroller, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Comptroller is Bristol City Hall, 111 North Main Street, Bristol, Connecticut 06010.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

CITY OF BRISTOL

By _____
Kenneth B. Cockayne
Mayor

By _____
Cheryl Thibeault
Agent of the Board of Finance

By _____
Diane M. Waldron
Comptroller

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