

Annual Comprehensive Financial Report

of the

City of Waterbury Connecticut

Fiscal Year Ended June 30, 2024

Prepared by:
Department of Finance
Michael J. LeBlanc, CPA
Director of Finance

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INTRODUCTORY SECTION

Mayor - Paul K. Pernerewski, Jr.

Town Clerk
Antoinette C. Spinelli

City Clerk
Michael J. Dalton

City Sheriff
Stephen M. Conway

BOARD OF ALDERMEN

Michael DiGiovancarlo (President)

John "Jack" Alseph
Mary Grace Cavallo
Christian D'Orso
Jeffrey A. Hunter
Victor Lopez, Jr.
Sandra Martinez-McCarthy
Sean M. Mosley

George Noujaim
Michael Rinaldi
Ruben Rodriguez
Michael R. Salvio
Bilal Tajideen
Belinda Weaver
Kelly Zimmermann

ADMINISTRATION

Assessor
Building Official
Chief of Fire
Chief of Police
City Planner
Corporation Counsel - Acting
Director of Audit
Director of Finance
Director of Health
Director of Human Resources
Director of Information Technology
Director of Libraries
Director of Public Works
Director of Purchasing
Manager of Budget Development & Oversight
Municipal Agent for the Elderly - Interim
Revenue Collection Manager
Superintendent of Water

Thomas DiStasio
Gil Graveline
Terrence Ballou
Fernando Spagnolo
Robert Nerney
Angela Juliani
Joseph Garvis
Michael LeBlanc
Aisling McGuckin
Tara Shaw, Esq.
Daniel Iarrapino
Raechel Guest
David Simpson
Kevin McCaffery
Sarah Geary
Palmira LeVasseur
Frank Caruso, Jr.
Robert Langenauer

BOARD OF EDUCATION

Mayor Paul K. Pernerewski, Jr., Chairman Ex-Officio

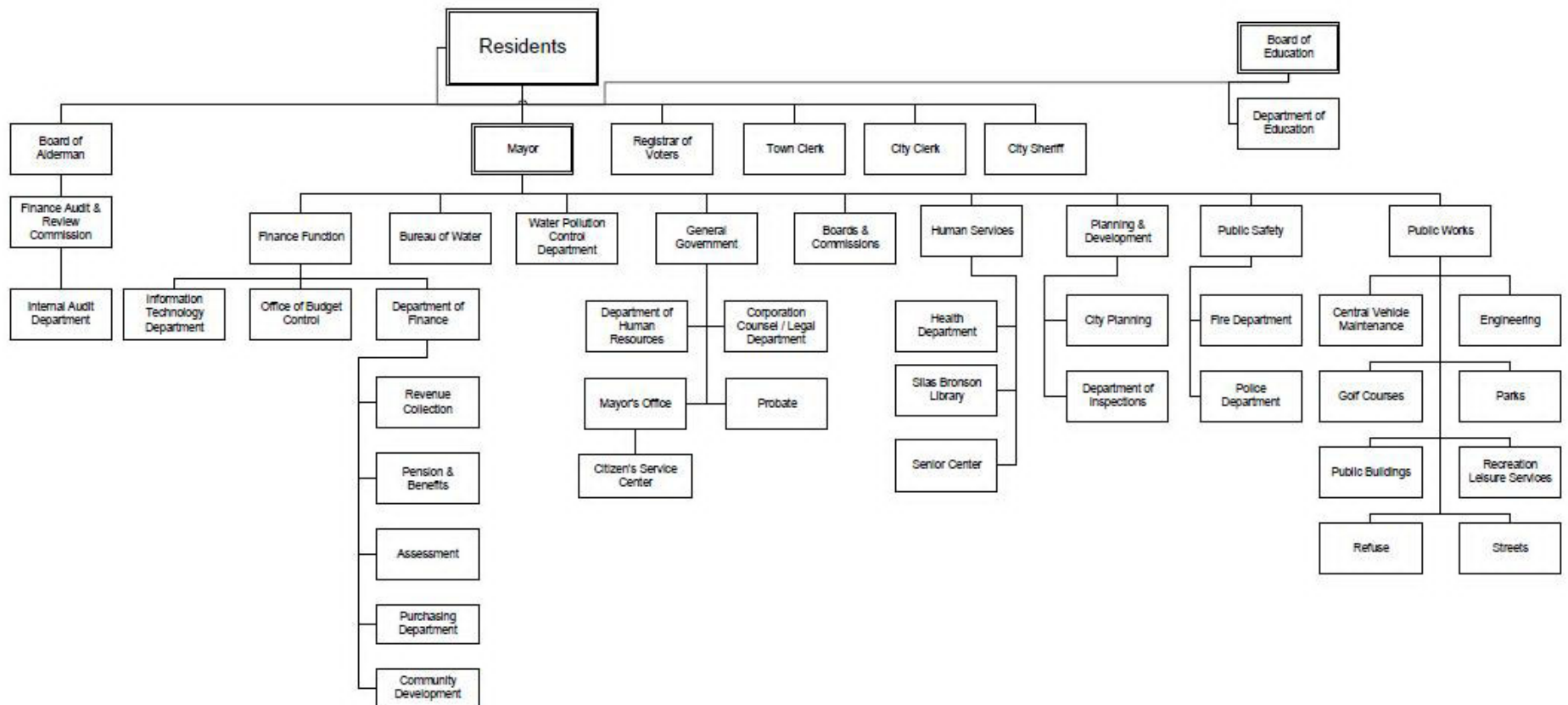
Juanita P. Hernandez, (President)
Steffi Frias
LaToya R. Ireland
Jacqueline A. Jackson
Hector Navarro

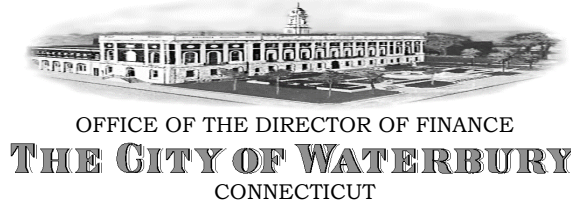
Elizabeth C. Brown, (Vice President)
Maragaret O'Brien
Rocco F. Orso
Melissa Serrano-Adorno
Thomas Van Stone, Sr.

Dr. Darren Schwartz, Interim Superintendent of Schools

City of Waterbury

Table of Organization - Entire Enterprise





OFFICE OF THE DIRECTOR OF FINANCE

THE CITY OF WATERBURY
CONNECTICUT

December 2, 2024

Honorable Mayor, Board of Aldermen, and Citizens
City of Waterbury

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Waterbury, Connecticut (the City) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual Federal Single Audit in conformity with the provisions of the Federal Single Audit Act and U.S. Office of Management and Budget Uniform Guidance, "Audits of States, Local Governments and Non-Profit Organizations." Information related to the Federal Single Audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations are issued under separate cover and are not included in this report. The City is also required to undergo a State Single Audit. Information related to the State Single Audit is issued as a separate report.

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

PROFILE OF THE CITY

The City of Waterbury was founded in 1674, incorporated as a village in 1686 and as a city in 1853. Located in west-central Connecticut at the heart of a 19-town area known as the Central Naugatuck Valley Region, the City is 21 miles north of New Haven, 29 miles southwest of Hartford, and 24 miles east of Danbury. Visit www.thewaterbury.com to learn all about the City of Waterbury and to gain additional content on Facebook, Twitter, LinkedIn, YouTube and Instagram.

The City is home to a passenger rail station and a bus terminal. Rail, passenger and freight service in the area are operated by Metro North and Conrail, respectively. Metro North offers daily passenger round trips between Waterbury and New York City, and freight service via New Haven provides for shipments to any point in the country. Waterbury is situated within a short distance (30 miles) to deep water ports in New Haven and Bridgeport. Bradley International Airport, New England's second largest airport, is located 45 miles northeast of the City while Oxford Airport is located 15 miles west of the City. Just over the New York State line is Westchester County (N.Y.) Airport, 60 minutes southwest of the City. In addition, Tweed-New Haven Airport has regularly scheduled commuter flights to Newark, Philadelphia, Chicago and Washington D.C.

The City maintains a diverse and growing business environment as evidenced by the list of major employers and major taxpayers located in the Statistical Section. Healthcare, higher education, manufacturing, financial services, utilities and retail all have significant representation within the City providing for employment opportunities and offering goods and services locally, regionally and globally.

Waterbury continues to advance a comprehensive economic development strategy with both public and private investments. These efforts are complemented by a partnership with the State of Connecticut to demolish and remediate former large manufacturing, brownfield sites to repurpose into new manufacturing facilities and mixed-use development projects. A workforce development collaboration between the City's Career Academy technical high school, Naugatuck Valley Community College, Northwest Regional Workforce Investment Board and the Manufacturing Alliance of Connecticut continues to produce employment results through the training and placement of individuals (students, residents, etc.) into unfilled high wage, high tech advanced manufacturing jobs.

The City serves as a regional center of higher education, being the home of Post University, Naugatuck Valley Community College, and a robust downtown branch of the University of Connecticut (UCONN). The UCONN Waterbury campus provides access to lifelong learning and community engagement through its academic programs and provides entry to the more than one hundred undergraduate programs available at the University of Connecticut. Graduates will earn their degree in downtown Waterbury and be prepared to continue into graduate program to earn medical, dental or optometry degrees or move directly into careers where skilled workers are in high demand. Post University offers both a large on campus class setting as well as a comprehensive online degree program.

The City is a regional center for medical and mental health services available to Waterbury's approximately 114,000 residents and the surrounding towns. The City is home to Waterbury Hospital, currently owned-operated by Prospect Waterbury/Waterbury Health, Inc. and Saint Mary's Hospital, owned-operated by Trinity Health New England. Waterbury Hospital and St. Mary's Hospital are the City's largest and 3rd largest private employers, respectively. Both hospitals are equipped with trauma centers, emergency helicopter pads and are affiliated with Yale University School of Medicine. Prospect Waterbury/Waterbury Health, Inc. is a for-profit taxable entity and Saint Mary's Hospital is one of five hospitals comprising Trinity Health New England. In addition to the two hospitals, Waterbury is home to the Harold Leever Regional Cancer Center. There are several hospital-affiliated health and wellness centers and walk-in clinics throughout the City as well as several skilled nursing homes and rehabilitation facilities.

The City's downtown area is home to the fully restored Palace Theater, originally built in 1922 and considered by today's fans and performers as one of the top performance venues in the country for its beauty and sound quality. With over 175 shows annually, the Palace boasts an impressive diversity in programming – including professional Broadway tours, top musical acts, family entertainment and educational programs. Downtown Waterbury is also home to the Mattatuck Museum. Established as a historical society in 1877, the Mattatuck Museum is an art and regional history museum on the Green in downtown Waterbury. The museum collects and exhibits American art and cultural artifacts, with a focus on local history. In 2021, the Museum was reimagined to expand its role as a welcoming, inclusive, stimulating and enriching community anchor. The completed expansion features a 14,000 square foot

renovation of existing space and nearly 7,000 square feet of new space to enhance educational programming, collections storage and exhibitions.

The City provides its population of approximately 114,000 residents with a variety of housing options in all price ranges. Single-family dwellings from modest to luxurious, multi-family homes, apartments and condominiums meet the needs of workers and residents. The City provides special housing for senior citizens, and offers assisted living facilities and housing opportunities for low-to-middle income families in collaboration with federal housing assistance programs.

MUNICIPAL SERVICES

Fire Department

The Waterbury Fire Department is a professional fire department providing a wide range of emergency services including fire suppression, hazardous materials mitigation, technical rescue and emergency medical dispatch. The Department also provides non-emergency services including public fire education, Connecticut fire code and licensing building inspections and plan review. Emergency services are provided by nine engine companies (with one also functioning as a rescue/hazmat company). The Fire Department is responsible for "First Responder" duties.

Police Department

The Waterbury Police Department operates with a complement of 300 sworn officers and 90 civilian employees. Located at 255 East Main Street, Police Headquarters is a 34,200-square-foot facility housing administrative, uniformed and investigative services. Specialized units include K-9, Emergency Response Team, Bicycle Patrol, Polygraph Services, Traffic Engineering, Victim Services, Blight Enforcement, Crimes Analysis, Hostage Negotiation Team, Crisis Intervention Team, School Resource Officers, and a full-service Forensic Laboratory capable of ballistics analysis/comparison and DNA collection. The Department utilizes a fleet of marked and unmarked police cruisers. Off-site facilities include Animal Control, Traffic Division, Parking, Training Division, Community Relations Division and a Police Academy.

Public Health

The Waterbury Department of Public Health is a full-time health department dedicated to the protection and promotion of good health for the citizens of the City. The Nursing Services Division provides both nursing expertise and nurse aide support to over 20,000 public, private and parochial students as well as public health nursing. Efforts of the Department of Public Health continue to address the need for improved access to health services for all citizens through innovative programs and wide ranging grants (Opioid Assistance, Lead Prevention and Hazard Control, Immunizations, WIC, Healthy Choices, Injury Prevention and Public Health Emergency Preparedness).

The Environmental Health Division provides wide-ranging activities from investigation and inspection of food establishments, response to housing code complaints, litter and blight complaints and enforcement of the public health code.

Education

The City's school system serves pre-kindergarten through twelve grade and is governed by the local Board of Education. Waterbury Board of Education is a 10-member Board elected to four year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include; curriculum, budget request submissions, ensuring funds for education as appropriated by the City are properly expended, implementation of both State and Federal laws, and planning for facilities, including construction and renovation. The City has twenty (20) elementary schools, four (4) middle schools and

five (5) high schools (including one magnet school for grades 6-12) and two (2) alternative schools for grades K-12.

Solid Waste & Recycling

The City provides municipal solid waste collection, bulky waste collection and recycling pick-up services to its residents. The Department of Public Works operates the City's municipal solid waste, bulky waste and recyclables collection programs for delivery to a contracted disposal & recycling facility.

Public Works

The Department of Public Works has nine core functional areas staffed by approximately 180 full-time and 215 part-time/seasonal employees overseen by a centralized administrative office of the Director. The functional areas consist of engineering, traffic, street maintenance, central vehicle maintenance, municipal solid waste collection, leisure activities, golf, public building and park grounds maintenance. In December 2018, the City's Department of Public Works operations were consolidated into a new 137,500 square foot facility. The City committed \$35 million to site remediation, a complete renovation and large expansion of a long vacant chemical manufacturing facility for the new Department of Public Works operations facility. The new state-of-the-art DPW Facility has addressed a several decade's long need of the City to have a state of the art centralized and efficiently functional public works operations facility.

Recreation

The City has almost 1,000 acres dedicated to recreation including 32 parks, 4 recreation centers, two municipal-owned 18-hole golf courses, 22 playgrounds, 3 outdoor swimming pools, one lake facility, 16 spray pools and one municipal multi-sport field stadium complex. There are over 120 athletic fields available to the public, for activities such as basketball, soccer, tennis and croquet. The City continually appropriates capital funds and is awarded State grants to fund the upkeep, maintenance and restoration of the City's recreational parks, playgrounds and athletic facilities. Recreational programs and activities are available at five different locations throughout the city: River Baldwin Recreation Center, Chase Park House, North End Recreation Center, William Tracy Park House and Waterville Recreation Center. Each serves a different region and population of the city.

The City offers bathing, boating, and fishing facilities at Lakewood Park within the City and at Lake Quassapaug and Hitchcock Lake just outside the City limits. Two 18-hole City-owned golf courses and an acclaimed 18-hole private course are located in Waterbury and several 9-hole golf courses are situated immediately adjacent to the City. Mattatuck State Forest with its many trails and campsites is only four miles from the center of the City. Black Rock State Park, with swimming and picnic facilities available, is a short drive away.

Silas Bronson Library

The Silas Bronson Library, the public library of the City, was established in 1869 by an endowment from Mr. Silas Bronson. There are over 240,000 volumes and 120 computer workstations in the main library available to the public, while a branch library operates in the Bunker Hill section of the City. The library is jointly supported by the Silas Bronson endowment and public funds.

Water Enterprise System

The City has the largest municipally-owned water system in the State. It encompasses 7,000 acres of City-owned watershed and has sufficient capacity to provide 38 million gallons of water per day. The system consists of two inactive and five active reservoirs with a total capacity of 7.54 billion gallons of water. Average daily consumption is approximately 16.0 million gallons. The system serves customers located in Waterbury and neighboring communities and is a self-supporting enterprise fund of the City.

The City's Water Treatment Plant is located in the neighboring town of Thomaston, CT. In March 2023, the City entered into a third-party operation, maintenance and management services agreement with CH2M Hill Engineers, Inc., a subsidiary of Jacobs Engineering Group, Inc. to operate and manage the City's Water Treatment Plant. Effective July 1, 2023 Jacobs Engineering Group became responsible for performing all services necessary for the proper and satisfactory operation and maintenance of the water treatment plant. The term of the Agreement is for ten years.

Water Pollution Control Enterprise System

The City has approximately 320 miles of sanitary sewers and 20 pump stations. The City's 27.05 MGD advanced Sewage Treatment Facility is located in the southerly portion of the City adjacent to the Naugatuck River.

In the summer of 2018, the City entered into a 10-year third party operation, maintenance and management services agreement with CH2M Hill Engineers, Inc., a subsidiary of Jacobs Engineering Group, Inc. for its Water Pollution Control - Wastewater Collection and Treatment Systems. Beginning November 1, 2018, Jacobs Engineering Group became responsible for performing all services necessary for the proper and satisfactory operation and maintenance of the wastewater collection and treatment systems, full-service 24-hours-a-day, seven days a week.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Mayor's Administration

On December 1, 2023, Mayor Paul K. Pernerewski, Jr. was sworn in as the City's next Mayor. Mayor Pernerewski is a life-long resident of the City and prior to becoming Mayor served on the City's Board of Aldermen since 2002 and as President since 2009. Mayor Pernerewski strongly believes that Waterbury has a great future ahead of it, intending to build upon former Mayor Neil M. O'Leary's efforts of building a sustainable future for the City that makes the links between transportation, housing, services and the environment so that the City remains a great place to live and work. Both Mayor's share common goals of improving the quality of life for Waterbury citizens, growing the City's taxable grand list and increasing the City's employer base. Set priorities continue to include education, furthering economic development, downtown redevelopment & infrastructure improvements and rail service improvements.

Visit www.thewaterbury.com to learn all about the City of Waterbury and to gain additional content on Facebook, Twitter, LinkedIn, YouTube and Instagram. There is also a special three-part docuseries about the amazing progress made in Waterbury over the last ten years. Featuring one-of-a-kind interviews and an in-depth narrative – 3x10: How Waterbury Rebuilt Itself as a City of Strength – provides answers for how the former “Brass Capital of the World” fixed its foundation and created an environment of endless possibilities. <https://3x10.thewaterbury.com/>

With the presence of a skilled and educated workforce, affordable real estate, and the convenience and culture of city life balanced by the nearby rural beauty of the countryside, the City will continue to draw interest from investors and developers who see Waterbury as a center for business, education and quality of life.

Economic Development

Under Mayor Pernerewski's leadership, economic development continues to be a major core function. A full-time Economic Development Director's position is within the Mayor's executive cabinet. The Economic Development Director's core functions include the recruitment of new business, maintaining

the stability and retention of existing business and the pursuit of investors, developers and companies looking to invest in Waterbury. The Mayor's Economic Development team meets weekly to ensure that updates are communicated timely along with extensive discussions on all ongoing initiatives and potential new opportunities. The economic development program strategy encompasses marketing the City, continued recruitment of new business, stability and expansion of existing business, remediation and repurposing of brownfield sites, downtown investment and development, housing, education and transportation along with public infrastructure improvements including recreation facilities and park improvements.

The City continues to advance economic development in the City through a multi-faceted approach including continuous brand marketing of the City, brownfield remediation to position key parcels for redevelopment, reinvestment in the City's park system, development of PreK-8 neighborhood schools, strategic downtown infrastructure & streetscape investments and support for small business development with micro-grant assistance programs and workforce development programs. Ongoing collaboration with the State, the Waterbury Chamber of Commerce, the Naugatuck Valley Regional Development Corporation & the Waterbury Development Corporation are cornerstones of these efforts. The City has and continues to leverage its American Rescue Plan Act funding of nearly \$75 million to further many of these efforts.

The Mayor and his Administrative and Economic Development teams continue to work tirelessly towards the overall goal of securing Waterbury's continued resurgence.

Employment Base

The City continues to advance its economic development strategy through both public and private investments. New business openings and expansions in manufacturing, retail, restaurant and professional businesses are providing for grand list growth and diversification of the City's employment base.

The unemployment rates of the City and the Waterbury labor market as a whole continued to trend positively downward during the past year. As of June 2024, the labor market reflected a City unemployment rate of 4.5%, a regional unemployment rate of 3.4% and a State unemployment rate of 2.8%. Demands to fill open positions remains strong locally, regionally and throughout the State. In 2022, the City allocated American Rescue Plan Act funds to the Waterbury Regional Chamber of Commerce, Northwest Regional Workforce Investment Board and the Women's Business Development Council in support of a variety of small business development, employment opportunities and re-employment based programs. Those programs developed in 2022 were rolled out over the past 18 months providing grants and assistance to further small business opportunities along with the retention of existing businesses following the impacts of the COVID pandemic.

The American Rescue Plan Act

The Federal Government adopted the American Rescue Plan Act (ARPA) on March 11, 2021. Waterbury's direct local recovery funding under the Act is \$75.4 million. Funding must be obligated by December 2024 and spent by December 2026.

The U.S. Treasury has indicated that ARPA funds will provide eligible state, local territorial and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have the broad flexibility to decide how best to use the funding to meet the needs of their communities. The guidance stipulates funding cannot be used on federal grant matching requirements, premium pay for telework, pension funding, infrastructure not directly addressed in ARPA or on rainy

day funds, financial reserves or outstanding debt. Eligible funding uses include supporting public health expenditures, addressing negative economic impacts caused by the public health emergency, replacement of lost public sector revenue, premium pay for essential workers and investments in water, sewer, and broadband infrastructure.

The U.S. Department of Treasury is overseeing the distribution of the ARPA funding and has released Guidance on eligible uses. The distribution of funds was made in two disbursements: 50% of the funds were made available and drawdown by the City in June 2021 and the remaining 50% made available and drawdown by the City in June 2022.

The City’s allocation plan for use of the ARPA funds evolved in 2021 & 2022 resulting in the 2023 planning & design of many capital investments in the City’s parks, downtown redevelopment efforts, brownfield remediation and so much more. Many of these investments came to fruition in 2024, highlighted by the opening of the new Hamilton Park outdoor recreation pool, pool house and promenade. The new complex opened to rave reviews. The balance of ARPA funds will be fully committed by December 31, 2024 in compliance with Treasury guidance. The following is a summary of activity through June 30, 2024:

❖ ARPA Transfer Allocations approved by the Board of Aldermen	\$72,600,074
❖ ARPA Funds Committed	\$66,774,386
❖ ARPA Committed Funds Expended	\$49,595,539

The City’s Finance Department has taken on the administrative responsibility for all accounting and reporting requirements called for in the U.S. Treasury issued guidance, working closely with all City Departments on allocated funding for various projects and programs deemed eligible under ARPA. This administrative responsibility is encompassing a significant amount of time and effort by dedicated management & staff in many City departments. The City is targeting the expense of all ARPA funds by June 30, 2025 in an effort to close out the program well in advance of the December 31, 2026 deadline.

Downtown Revitalization

Downtown Waterbury is proud to continue to be the main operations center for City Government, Board of Education services, Waterbury Superior Court, St. Mary’s Hospital, Webster Bank, MacDermid Inc., UCONN Waterbury, POST University, the Waterbury Arts Magnet School, the Palace Theatre, the Mattatuck Museum, the YMCA and over 150 other businesses. These include professional offices, restaurants, entertainment venues, educational facilities, retail establishments and others. The downtown area offers elegantly refurbished brownstones and turn-of-the-century architecture with affordable office, retail and housing space. Parking is plentiful and strategically located throughout downtown.

In furthering growth and investment within downtown, the Mayor, the Economic Development Director and the Waterbury Development Corporation actively reach out to existing downtown businesses and new private investors and developers to engage them in reinvestment opportunities and programs to further advance downtown revitalization.

Securing State and Federal grants along with private investment is an integral component of the City’s economic development efforts. Phase I (Waterbury Next) encompassed multiple downtown redevelopment projects. Phase II (Former Howland Hughes) redevelopment project provided for the expansion of POST University in to the decades vacant former Howland Hughes iconic Department Store. Phase I and Phase II downtown redevelopment investments encompassed close to \$20 million in State and Local investment and were all successfully completed prior to the COVID pandemic

Since then, the City has committed \$18 million of its ARPA funds towards downtown redevelopment efforts; \$10 million for replacement of underground utilities in the City’s downtown Bank, North & South

streets, \$1.5 million to bring the Women's Business Development Council to downtown offering small business grants, education and networking assistance; \$1.5 million to the Waterbury Chamber of Commerce to provide matching funds to bring new businesses into the downtown's empty store fronts; \$5 million to leverage a \$10 million award from the State's Community Investment Fund for redevelopment of the downtown's Freight Street corridor. Private investors are continuing to show interest with several smaller downtown properties having been sold in recent months and are already being rehabilitated.

In November 2021, Phase I of a major upgrade of the City's downtown, East Main Street section was completed. The Phase I project was supported by a \$4 million funding commitment from the State and a \$6.8 million funding commitment from the Naugatuck Valley Council of Governments. The project included repairing and replacing subsurface water and sewer lines prior to replacing the street surface and sidewalks. New streetlights, benches, bus shelters and other amenities were installed. The East Main Street subsurface utility replacement work began in October 2019 and was completed in December 2020. Street scape and sidewalk work on East Main Street began in early spring 2021 and reached substantial completion with final coat paving in November 2021.

Phase II, is providing for major upgrades to the City's downtown sections of Bank Street, South Main Street & North Main Street. The City allocated \$11.3 million of ARPA funds for an underground utilities project slated for completion this December. This component of the project encompasses the replacement of 100 year-old water mains & laterals, sewer lines & laterals and the repairing of storm sewer drainage systems. The restoration and improvement of these central downtown street sections is deemed a critical component of ongoing downtown redevelopment efforts prior to the complete streetscape project. Design of the street surface and sidewalks replacement project has been completed with the streetscape project anticipated to be awarded in December 2024 with an anticipated April 2025 start. New streetlights, benches, bus shelters and other amenities will be installed along with a complete streetscape funded by a \$10 million NVCOG-LOTICIP grant.

On October 6, 2023 the State's Bond Commission approved a \$7 million Urban Act Bond that funded the City's acquisition of One Exchange Place, one of the largest, iconic buildings in the City's downtown along with The Exchange Courtyard, representing the cornerstone of Waterbury's Downtown Phase III redevelopment efforts. The former City Mayor had identified the two largely vacant downtown office/retail properties as vital to downtown redevelopment efforts and serving as a catalyst for further private investment. One Exchange Place and The Exchange Courtyard buildings have been plagued with high vacancy rates for many years. The condominium ownership structure consisting of seven different owners inhibited investment in the properties which further handicapped the selling of the properties.

The Exchange Courtyard building, a large two-story, U-shaped, multi-tenant office/retail building with a combined total of ~23,000 sq. ft. is currently being marketed for sale and redevelopment. Historically, the Property has received substantial interest from private developers focused on transforming the nearly vacant property into a mixed-use residential development. With continued interest from private developers, and the utility/streetscape upgrades which are underway in the Central Business District, the City believes now was the perfect opportunity to sell the property. The City's goal is to award this sale to a developer for mixed-use or residential conversion.

One Exchange Place consists of a six-story Class A office building of 62,690 square feet with a 110 space underground parking garage. One Exchange Place has suffered deferred maintenance, HVAC equipment operating issues and water penetration issues which will be addressed in early 2025. Necessary work will then immediately begin to address code compliance upgrades and renovations for the fit out space for incoming lease tenants and for the preparation of swing space in anticipation of the relocation of several City Departments currently housed in the Chase Municipal Building. The Chase Municipal Building is slated for a major rehabilitation project beginning in late 2025.

The City's sale of a historic downtown building located at 36 North Main Street, known as "Old Fellows Hall", and located directly across from the City's newly renovated downtown green had been significantly delayed by the COVID-19 pandemic. In 2019, the City sought developers interested in purchasing, redeveloping and repurposing 36 North Main Street in a manner that would further the City's economic development strategy through public and private investment.

The State of Connecticut had allocated a \$10 million grant-in-aid contribution for the rehabilitation and redevelopment of this Property. As another sign of progress post-COVID, on September 20, 2023, the City closed on the sale of 36 North Main Street to Green Hub Development III, LLC for the purchase price of \$900,000. Leveraging the \$10 million grant-in-aid, Green Hub Development immediately began efforts to renovate the historic building. The renovation project is slated for completion December 2024. As the final piece to securing the renovation of the Old Fellows Hall, Green Hub Development has secured UCONN-Waterbury as a long-term tenant to house the University's Allied Health Services programs as campus enrollment in the City's downtown continues to grow exponentially.

Waterbury-Naugatuck Industrial Park

In November 2018, the City entered into an inter-municipal agreement with the Borough of Naugatuck to establish market and develop a 155-acre parcel to be known as the Waterbury-Naugatuck Industrial Park. This would not have been possible without the collaboration and mutual economic development interests of the City's Mayor and the Mayor of the neighboring Borough of Naugatuck. This greenfield site is adjacent to and easily accessible to the Route 8 highway running north/south, with short distance interconnections to Interstate 84 just to the north and Interstate 95 to the south. Responses to request for proposals were received on September 9, 2021. Two (2) Developers provided strong development concepts & plans.

In January 2022, Bluewater Property Group was selected to develop a plan for the construction of a state-of-the-art distribution facility with the potential to create up to 1,000 new jobs. On May 9, 2022, the City's Board of Aldermen approved a Purchase & Sale Agreement with the Bluewater Property Group, now BMG Waterbury, LLC. BMG Waterbury, LLC has completed significant due diligence over the past year and has announced Amazon as the incoming tenant for a planned fulfillment center on the parcel. There is potential for site-work to begin in March-April 2025. BMG Waterbury, LLC's Inland Wetland Application was recently approved on November 6, 2024.

Waterbury Development Corporation (WDC) – Business Growth Group Initiatives

WDC Business Growth Group (BGG) administers business loans and assists with tax abatements to existing City businesses and to businesses looking to open in the City. The availability of loans and other business incentives has made the BGG Waterbury's clearinghouse for business development inquiries. In addition, the BGG works in partnership with the City's Economic Development Office on business retention, expansion, and recruitment.

Additionally, State and local Enterprise Zone Tax Abatement programs are available to qualifying businesses. If the owners of a manufacturing operation are considering Waterbury with other towns offering lower tax rates, the availability of tax abatement programs can help "level the playing field". The awarded tax abatements reduce annual taxes for qualifying projects that are undertaken by local business owners for a period of 5 to 7 years. The City, through legislation, also offers two incentive programs for manufacturing and certain industrial projects. Such incentives provide an advantage to local business owners and attracts private investment for the expansion and rehabilitation of Waterbury properties. WDC also administers the Urban Jobs Tax Abatement Program. Both of these tax abatement programs continue to result in business retention, business creation, job creation and the enhancement of neighborhoods.

Local and Regional Transportation Upgrades and Enhancements

Easy access to, from and through the City of Waterbury is seen as a critical component of economic development growth. The following transportation projects (local and regional) speak to efforts underway to vastly improve the efficiency of travel in and out of Waterbury:

Route 8/I-84 Mixmaster Rehabilitation, The Route 8 & I-84 interchange sits just west of the City's downtown area facilitating flow of all highway traffic north & south and east & west of the City. Major repairs to the fifty-two (52) year old Route 8 / I-84 interchange in Waterbury, popularly known as the "Mixmaster", were completed in 2024. Permanent repairs to several of the ten (10) separate bridges that make up the Mixmaster will preserve and provide a 25-year service life.

Metro-North Waterbury Branch, In 2021, the Connecticut Department of Transportation (CDOT) completed a new signalization system for the Waterbury Branch of the New Haven Line providing for safety improvements which allowed for more daily trains and improved services between Waterbury and Bridgeport and connecting to New York City.

Waterbury Train Station Improvements, The concept of developing a multi-modal transportation center to house and link a variety of transportation services to serve the City and the surrounding Central Naugatuck Valley Region had been discussed for several years. A long-term phased approach to achieve this vision is envisioned. The completed first Phase resulted in the demolition of a long vacant building owned by CDOT adjacent to the City's active rail-line station in downtown. The completed second Phase encompassed the rebuilding and expanding of the commuter rail parking lot. The parking lot improvements completed in October 2020 included subsurface base & drainage improvements, new pavement, curbing, lighting and improved accessibility. These improvements are benefitting the increased number of daily commuters resulting from the increased number of daily trains that the two-way signalization system completed in 2021 provides.

Interstate 84 Widening Project, In 2019, the State CDOT completed a \$330 million project to widen the east and west lanes of Interstate 84 through Waterbury. It replaced an aging infrastructure with new exit and entrance ramps, new bridges and sidewalks, and new utilities such as sewer and water lines.

Brownfield Redevelopment Program (WDC)

Brownfield redevelopment is seen as an integral component of current and future economic development within the City and the region. A combination of Federal, State, and City funds are presently being used for the assessment and cleanup of many contaminated sites across the City.

The Waterbury Development Corporation (WDC) and the Naugatuck Valley Regional Development Corporation (NVRDC) work in partnership with the City to categorize city-wide brownfields in order to determine the conditions which may impede the reuse of the sites; to determine the human health and ecological health risks; estimate the cost of remediating individual sites; and when possible, acquire and remediate a site. A Center City Brownfields Corridor was established as an internal guide for a strategic, targeted approach for using brownfield assessment funds and to redevelop challenged areas based on goals for smart growth redevelopment, transit oriented development, soliciting developer interest, support the cross-cutting federal funding and providing a base for discussion and preparation of an area redevelopment plan leveraging enterprise and opportunity zone programs.

Brownfields have been the City's biggest obstacle to the provision of pad-ready properties to support manufacturing and processing; distribution operations, warehousing and freight handling; sub-assembly operations; and industrial services. The City, WDC and now NVRDC continue to leverage funds for the preparation of shovel-ready sites.

The former Anamet Property and the Freight Street property are the cornerstone brownfield projects amongst several other brownfield properties in various stages of assessment, remediation and redevelopment. Addressing these brownfield properties is intertwined with the City's sustainability and economic development strategy.

Anamet Property, Located at 698 South Main Street in the City's south end is a 17.5-acre site along the banks of the Naugatuck River that for over one hundred years hosted an American Brass manufacturing facility. On April 28, 2017, WDC purchased the site through 698 South Main St., LLC using grant funding provided by the State of Connecticut Department of Economic and Community Development. WDC is currently managing a multi-year, multi-phase project that will demolish the crumbling structures on the premises, clean and remediate the lot, and remodel an existing 220,000 square foot building located on the site that is in good structural condition. Phase I, which consisted of vegetation clearing, was completed in early 2018. Phase II demolition and debris removal occurred throughout 2019 prior to exhausting the awarded demolition grant funding. The City committed \$3 million in bond funds in order to move forward with the removal and replacement roof on the 220,000 square foot building. The roof replacement project was completed in January 2021. In 2022, the City secured \$4 million in additional demolition grant funding to provide for additional building demolitions and the demolition of a large smoke stack in 2023. WDC recently received proposals for disposition and development of the property that are currently being evaluated. This project remains a priority project because of the amount of jobs it has the potential to create, the site's redevelopment potential, and the City and State's past and present investments in the site's redevelopment.

Freight Street Redevelopment Project, The Freight Street Corridor sits at the western gateway to the City's Central Business District. The City views redevelopment of the site as critical to the economic revitalization for not only Waterbury but the entire region. Freight Street has been identified in the City's Plan of Conservation and Development and its Downtown Strategic Plan as the last viable opportunity to expand the core of downtown Waterbury and connect it with the Naugatuck River. Three parcels located at 130 & 170 Freight Street along with 000 West Main Street comprise 21 acres of abandoned brownfield property sites. The continuous parcels are large, flat, and are centrally located. In September 2014, the U.S. Department of Transportation awarded the City of Waterbury a highly competitive \$14.4 million Transportation Investment Generating Economic Recovery Grant (TIGER) that funded the Waterbury Active Transportation and Economic Resurgence (WATER) Project, comprising an integrated system of downtown transportation improvements including the reconstruction and expansion of a network of local streets that has transformed the City's Freight Street and Naugatuck River transportation corridors. In September 2018 the State Bond Commission approved \$1.5 million for the demolition of 130 Freight Street. The 130 Freight Street property demolition was completed in 2022. The demolition of 000 West Main Street was completed early 2024. The City closed on the purchase of 170 Freight in May 2023. Property demolition was recently completed in October 2024. At this time, all building structures on the 21 acres have been demolished and removed. The City has been awarded a \$10 million Community Investment Fund grant from the State leveraged by a \$5 million approved allocation from the City's American Rescue Plan Act Funds. An environmental consultant is under contract for further remediation efforts on the site. An RFP for disposition & redevelopment of the 21-acre site is now slated for issuance in 2025.

Education – School Construction and Renovation Program

The City and its school system are strongly committed to pre-kindergarten to twelfth grade education. Having a strong, vibrant school system that additionally offers career directed course curriculum options at the high school level are considered a critical part of the City's overall sustainability and economic development strategies. Over the past 10 plus years, the City has embarked on an aggressive school construction program focused on meeting the needs of student enrollment and satisfying various deficiencies within the public school system. To date, two new pre-K through eighth grade neighborhood schools, Gilmartin and Duggan, were opened in August 2010 and August 2011,

respectively. A third new pre-K through eighth grade school, Jonathan E. Reed, was opened in August 2012. A fourth new pre-K through eighth grade school, Carrington, along with a new technical high school, Waterbury Career Academy, were opened in August 2013. A \$15 million project for a new media center and additional classroom space at the Wallace Middle School was completed in August 2015. A \$25 million addition and alteration project to the Kennedy High School was completed in 2016. A newly constructed Pre-K through 8th grade Wendell L. Cross elementary school opened to rave reviews ahead of the 2021-2022 school year.

The Board of Education commissioned the completion of a Long Range Facilities Master Plan in the fall of 2021. In October 2022, the completed Master Plan was presented to the Board of Education and Board of Aldermen. The Master Plan is a road map that supports a mission to inspire and prepare every student to be successful in school and beyond through an efficient use and allocation of resources. The Master Plan will assist in the identification & prioritization of capital projects encompassing school additions, renovations & replacements over the next 10 plus years. .

The Waterbury Board of Education was the recipient of \$42 million in Elementary and Secondary School Emergency Relief (ESSER) - ESSER-II funding and \$90 million in ESSER-III funding being passed through the State Department of Education. A substantial portion of the ESSER funding is being appropriated for school building HVAC, air-quality & mechanical system improvements, school auditorium renovations, school playscape replacements, school locker replacement and several other needed improvements throughout the districts school facilities.

Recreation and Cultural Development

Recreational Park Pools Replacement

In addition to a number of splash-pad sites throughout the City, residents have enjoyed access to three outdoor recreational pool facilities. The Hamilton Park, Fulton Park and Washington Park outdoor recreational pools were constructed many decades ago and have far exceeded their useful lives. The American Rescue Plan Act funding presented an opportunity to undertake the significant cost of replacing all three outdoor recreation pools to greatly benefit current and future generations. The City appropriated \$15.6 million of ARPA funds and additionally secured a \$4 million Community Project Funding grant for Fulton Park. This investment at its core is an investment in our communities and the viability of the City as a great place to live, work and play. The replacement of the Hamilton Park pool and pool house and promenade was completed in May 2024 and opened to rave reviews for the 2024 summer season. Replacement of the Fulton and Washington Park pools have progressed throughout 2024 with both pools set to re-open for the 2025 summer season.

CITY MANAGEMENT FINANCIAL POLICIES AND INITIATIVES

The following financial accomplishments, policies and related initiatives occurred during the fiscal year ending June 30, 2024:

Sustained Long-Term Financial Stability

The City's General Fund recorded a \$2.2 million surplus for the fiscal year ending June 30, 2024 following the posting of \$3.8 million in year-end surplus transfers to other reserve accounts.

The General Fund's total fund balance as of June 30, 2024 has now grown to \$29.4 million, representing 6.6% of the City's FY2025 \$446.7 million adopted budget. For more than 20-plus years running, the City has produced fiscal year-end budget surpluses while at the same time not drawing upon any designation of fund balance built into the budget. It is a testament to the efforts of current & past administrations, the Finance Director, the Manager of Budget Development & Oversight and the

Cost Containment & Oversight Committee. There is recognition of the need to adhere to a City practice of adopting an annual budget based on sound principals and reasonable expectations along with not being reliant upon one-time revenues.

The City's Internal Service Funds comprised of largely self-insured programs for health benefits, workers compensation claims, heart & hypertension claims & general liability claims report a positive net position of \$55.9 million as of June 30, 2024. The positive net position of \$55.9 million is net of the recorded \$42.5 million in current and non-current accrued claim liabilities. Net Position program reserves at \$55.9 million has the City well positioned to assist with future potential volatility particularly with health care costs. Individually, all four (4) internal service funds continue to maintain strong positive net positions after full funding of short & long-term accrued claim liabilities.

The current FY2025, \$446.7 million proposed spending package was approved by the City's Board of Aldermen on June 4, 2024. The approved budget reflected external cost challenges driven by significant inflation over the past year along with employee recruitment and retention challenges necessitating higher wage increases. These cost pressures have resulted in budget increases in numerous areas including labor, healthcare, fuel and utilities. The current FY2025 budget was crafted in a manner, which took into consideration the projected year-end results for FY2024 within the City's General Fund, Debt Service Fund and Internal Service Funds. Revenue estimates of \$446.7 million were developed based on achievable results as a means to limit income deficiencies and thereby strengthening the likelihood of again meeting the City's undesignated fund balance objectives. The FY2025 appropriated expenditure budget of \$446.7 million represented an increase of \$5.9 million or 1.34%. Budgeted appropriations include appropriate levels of contributions to the debt service and internal service funds to meet current obligations and fully funds the Pension Fund's annual required contribution.

General Fund Balance Status & Policy

The City's General Fund reported a total fund balance this year of \$29.4 million representing an increase of \$2.2 million. The General Fund's unassigned component of fund balance is \$26.3 million with \$3.0 million assigned to the fiscal year 2025 Budget. The fund balance designation is designed to limit unnecessary tax levy growth. The City has an adopted Fund Balance Policy designed to balance the concerns of the bond rating agencies, bond investors, and financial institutions to maintain sufficient resources to meet unexpected emergencies with the taxpayers' desire to have a reasonable tax levy. The policy's general goals include maintaining an unreserved general fund balance equal to 5% to 8% of budgetary expenditures and a limitation to designate no more than 1% of prior year's budgetary based actual expenditures as a revenue source during the budget development and approval process for the subsequent budget year. The General Fund's total fund balance as of June 30, 2024 is \$29.4 million, representing 6.6% of the City's FY2025 \$446.7 million adopted budget. The City complied with the adopted policy in setting the \$3 million designation from Fund Balance for tax relief as part of the fiscal 2025 adopted budget.

Pension Funding

In September 2009, the City issued a \$313 million pension obligation bond to provide for 70% funding of the Pension Plan's actuarial accrued liability. The outstanding balance on the pension obligation bonds is \$180.0 million as of June 30, 2024. The July 1, 2023 Pension Plan Actuarial Valuation Report prepared by Hooker & Holcombe, Inc., reports the actuarial value of plan assets at \$446.1 million and an actuarial accrued benefit liability of \$674.0 million representing a 66.2% actuarial value plan funding status as of July 1, 2023. This represents a 0.9% decrease in the plan funding status when compared with a plan funding status of 67.1% on July 1, 2022. The Plan's unfunded actuarial accrued liability reported at \$227.9 million is being amortized over a closed 30-year amortization period, with 16-years remaining as of the July 1, 2023 valuation. In FY2024, the City fully funded its \$23.1 million annual required pension contribution. In addition, the City paid debt service totaling

\$25.2 million for principal and interest on the pension obligation bonds. The FY2024 pension plan contribution included the fourteenth year of a thirty-year amortization period (established in fiscal year 2010) to amortize the remaining unfunded portion of the actuarial accrued liability.

OPEB Funding

The City continued its commitment to meeting its obligations for medical benefits of both its active employees and benefit eligible retired employees, on a pay-as-you go basis, through the annual adoption of General Fund contributions to the City's Health Benefits internal service fund. The City's Health Benefits self-insured internal service fund Net Position has grown to \$39.8 million as of June 30, 2024 and is available to address long-term benefit obligations and smooth out potential volatile years in the future. The City's OPEB Liability of \$931 million as of June 30, 2024 has been actuarially calculated in accordance with new GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

In 2003, with an understanding of the long-term implications of the existing OPEB benefit program, the City, via the powers of the State Oversight Board at the time, modified collective bargaining agreements to significantly curtail the OPEB benefits for those employees hired after the contract modification date (2004 timeframe). In addition, future retiree co-share requirements were established for those current employees grandfathered into the previous benefit program. Over time, the elimination and significant curtailment of post-employment medical coverage reduces the OPEB accrued liability and eventually, significantly reduce the compounded cost impact of funding medical coverage for both active employees and retirees. The City has successfully negotiated the adoption of a consumer driven, high-deductible health plan for all active employees with few exceptions.

A "Medicare Enrollment Initiative" was developed to leverage Medicare as the primary payer to reduce costs for the City all while preserving and maintaining the integrity of the benefits that have been promised to retirees through their Collective Bargaining Agreements (CBA). With a plan enrollment effective date of July 1, 2016 (FY2017), following successful enrollment of all retirees in the prior fiscal year, the City was positioned to save significant sums of money with transitioning first-party payer obligation to Medicare for City retirees over age 65 that were not previously enrolled in Medicare A and B. Without Medicare's position as primary payer the City had the sole responsibility for the total financial burden to pay retiree medical claims. The results with Medicare positioned as primary payer have far exceeded preliminary estimates and proven the critical importance of implementing the Medicare Enrollment Initiative. The City's net avoided medical claims costs, net of Medicare premiums continue to average approximately \$10 million per year and has contributed significantly to the fiscal stabilization of the health program.

DEBT MANAGEMENT

The City is strongly committed to attaining the right balance of capital renewal and reinvestment within the City over time. Each bond authorization submitted for approval by the City's governing body is critically evaluated beforehand by the City's Administration. All merits of a project are evaluated to ensure the project fully warrants committing the City's bonding capacity for the identified purpose. The City's bond authorization and debt issuance management plan seeks to maintain an annual debt service cost in the 5%-6% range of total budget. A level, annual debt service commitment in the 5%-6% range of total budget will provide for continual capital investment opportunities in educational facilities, infrastructure and economic development initiatives for the long-term betterment of the City, its residents & businesses and to provide long-term sustainability of the City for generations to come.

Bond Credit Ratings

In anticipation of a May 2022 bond issue, City representatives met with three credit rating agencies to present the City's financial condition and outlook including a comprehensive overview of the then economic development activities and financial management policies. The Kroll Bond Rating Agency (KBRA) upgraded the City's bond rating to "AA", just two notches below the strongest rating available at "AAA". KBRA noted that the bond upgrade recognizes the Administration's deep commitment and demonstrated ability to attract economic development and the City's clear runway for further growth. Management's strong financial policies and monitoring along with continued improvement in financial flexibility were further highlighted. KBRA reaffirmed the City's "AA" rating and stable outlook on 4/26/2024.

In anticipation of a the May 2022 bond issue, Standard and Poor's Global along with Fitch Ratings both reaffirmed the City's "AA-" bond rating with stable outlooks highlighting the City's very strong management, strong budgetary performance, and budget flexibility. On August 28, 2024, Fitch downgraded City's rating one notch from "AA-" to "A+" sighting the downgrade was a result of their implementation of new U.S. Local Government Rating Criteria adding greater weighting to City demographics and Pension/OPEB liabilities. Fitch maintained a stable outlook.

Moody's reaffirmed the City's "A2" rating and stable outlook on 7/31/2024.

FINANCIAL MANAGEMENT

The City's management is responsible for establishing and maintaining an internal control structure designed to ensure its assets are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to manage spending within prescribed budget limitations and for the preparation of financial statements in conformity with generally accepted accounting principles. The City's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City's accounting records for general government are maintained on the modified accrual basis. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's accounting records for enterprise funds, internal service funds, pension and nonexpendable trust funds are maintained on an accrual basis. Revenues are recognized when earned, and expenses recognized when incurred.

INDEPENDENT AUDIT

State Statute and the City Charter require an annual audit by an independent certified public accountant. The statute further prescribes that each municipality's annual report shall be prepared in accordance with accounting principles generally accepted in the United States of America. This report has been prepared according to these standards. The auditors' unmodified opinion is included in this report.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waterbury for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to receive the Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. A Certificate of Achievement is valid for a period of one year.

The City has received the “Certificate of Achievement for Excellence in Financial Reporting” for seventeen (17) consecutive years.

This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements, and will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also like to thank the Mayor, the City’s Manager of Budget Development & Oversight, the City’s Manager of Accounting & Financial Report and the Board of Aldermen for their interest and commitment in the planning, participation in and oversight of the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink, reading "Michael J. LeBlanc". The signature is fluid and cursive, with the first name "Michael" and last name "LeBlanc" clearly distinguishable.

Michael J. LeBlanc, CPA
Director of Finance



Government Finance Officers Association

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**City of Waterbury
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen
City of Waterbury, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waterbury, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Waterbury, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waterbury, Connecticut, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Waterbury, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the City has elected to change its method of allocating the Net Pension and Total OPEB liabilities to the Business-Type Activities as well as the Bureau of Water and Water Pollution Control Enterprise Funds as of July 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waterbury, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Waterbury, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waterbury, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waterbury, Connecticut's basic financial statements. The combining and individual fund statements and schedules 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Board of Aldermen
City of Waterbury, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of the City of Waterbury, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waterbury, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Waterbury, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 2, 2024

**CITY OF WATERBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

This discussion and analysis of the City of Waterbury, Connecticut (the City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information. The government-wide 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, similar to the private-sector. Fund financial statements are presented in Exhibits 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.

Financial Highlights

- On a government-wide basis, the City's Net Position as of June 30, 2024 is a negative \$577 million, which includes the full recognition of a total OPEB (*other post-employment benefits*) Liability of \$931 million and a Net Pension Liability of \$275 million. The City's government-wide negative Net Position of \$577 million is comprised of a governmental activities negative Net Position of \$731 million and a business-type activities positive Net Position of \$155 million.
- The City's Net Position, on a government-wide full accrual basis, increased by \$137.2 million as a result of this year's operations. Net Position in governmental activities increased \$133.0 million with Net Position in business-type activities increasing \$4.2 million. Several positive factors contributed to the \$133 million increase in the City's Governmental Activities Net Position. Net capital assets increased by \$59 million with many large capital investments funded by ARPA & ESSER grants. \$32 million in principal debt payments were made during the fiscal year with no new debt issued. Governmental fund balances increased by \$20 million along with an increase of \$16 million in the City's Internal Service Funds Net Position. All other governmental full accrual conversion items generated a \$6 million increase. Refer to Exhibit IV, Reconciliation to the Statement of Activities for a detailed accounting of the full accrual basis of accounting adjustments during the last fiscal year. Net Position of our business-type activities increased \$4.2 million, net of including the recognition of a \$7.7 million capital asset depreciation expense. During the fiscal year, the City recorded government-wide program revenues, operating & capital grants, property taxes and other general revenues of \$825 million compared with \$688 million in government-wide expenses.

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- **Change in Accounting Estimate Restatement:** For the year ended June 30, 2024, the City changed its methodology for allocating the Net Pension and Total OPEB Liabilities to the Business-Type Activities as well as the Bureau of Water and Water Pollution Control Enterprise Funds. The City reviewed its methodology for making this allocation and believes the current estimation, which is prepared by the City's actuary, is more accurate. The change is being applied prospectively, beginning July 1, 2023. The effect of this accounting estimate increased the Governmental Activities Net Position by \$10.6 million as of July 1, 2023 with a corresponding decrease in the Business-Type Activities Net Position and Enterprise Funds Net Positions.
- The City's General Fund reported a total fund balance this year of \$29.4 million representing an increase of \$2.2 million. The General Fund unassigned component of fund balance is \$26.4 million with \$3.0 million assigned to the 2025 fiscal year budget. The General Fund's revenue resources available for appropriation were \$4.7 million more than anticipated. The General Fund's expenditures were \$4.3 million less than appropriated. The net budgetary surplus of \$9.0 million avoided any drawdown of the prior year's \$3.0 million designation of fund balance. Additionally, the net budgetary surplus provided for \$3.8 million in year-end surplus transfers to allocate funding for capital purchases, other program reserves and to provide for a \$2.2 million increase in the General Fund balance reserve.
- The City's governmental activities change in Net Position is annually impacted by the recognition of annual changes in the City's long-term Pension & OPEB liabilities as well as the associated recognition of deferred inflows/outflows that do not require the use of current financial resources but are recognized in the statement of activities as a change in Net Position. Financial Statement Exhibit IV's reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances reports the following changes related to the City's governmental type Pension & OPEB liabilities:

Change in Net Pension Liability	\$ 16,115
Change in Deferred Outflows Related to Pension	(26,591)
Change in Deferred Inflows Related to Pension	2,466
Change in Total OPEB Liability	29,033
Change in Deferred Outflows Related to OPEB	(37,104)
Change in Deferred Inflows related to OPEB	<u>18,428</u>
Statement of Activities - Change in Pension/OPEB Liabilities	<u>\$ 2,347*</u>

**The notes to the financial statements contain informative disclosures on the funding status & funding policy for the City's Pension & OPEB Liabilities.*

- The City's governmental activities net position in the City's Internal Service Funds reported a combined \$15.9 million increase when factoring in all sources of revenues used to fund the 2024 fiscal year health benefit, workers compensation, heart & hypertension and general liability self-insured program expenses. Investment Income of \$9.9 million on \$78.0 million of invested assets provided for more than half of the FY2024 net position increase. FY2024 benefits, claims and administration costs increased by \$3.0 million or approximately 2.5%, well below trends for these programs. Benefit utilization has adjusted back to pre-pandemic levels. The City's cost control program measures continue to aid in controlling growth in program costs. Overall, operating revenues of \$132.0 million, including City premiums of \$96.0 million provided full funding for program expenses of \$126.0 million. Net Position program reserves at \$55.9 million has the City well positioned to assist with its future self-insured program obligations in particular with healthcare cost volatility on nearly eleven thousand covered lives

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- The \$7.5 million Debt Service - Fund Balance as of June 30, 2024 reflects a decrease of \$3.2 million during FY2024. The \$3.2 million decrease is part of a planned multi-year drawdown of a bond premium generated from a June 2022 bond issue.
- The General Capital Improvement Fund has a \$62.2 million positive fund balance as of June 30, 2024. Refer to Exhibit B-3 for a summary of active capital projects and project account balances. The Capital Budget and Vehicle Replacement Funds, each comprised of local funds set aside by the City and Board of Education for capital renewal, replacement and program investments accounts for \$40.0 million of the overall General Capital Improvement fund balance. Existing account balances have been appropriated in the 2025 Capital Budget and will also be committed in the development of the 2026 Capital Budget.
- The Education Capital Improvement Fund has a \$1.3 million deficit fund balance as of June 30, 2024. Refer to Exhibit B-4 for a summary of active capital projects. The Educational Capital Improvement fund is comprised of school building construction and renovation projects that are largely funded through the State's School Construction Grant Program. The June 30, 2023 \$20.4 Educational Capital Improvement Fund deficit was largely mitigated in 2024. The State of Connecticut Legislature passed a bill in the 2024 Spring Legislative Session waiving ineligible costs identified by the Department of Administrative Services on six (6) school construction grant draft audit reports. The passage of the bill mitigated a \$17.6 million payable recorded as of June 30, 2023 due to the uncertainty at the time of obtaining this resolution. The Board of Education capital contingency funds are included in the General Capital Budget account.
- Governmental Funds conversion activity includes the capitalization of expenses for capital improvement and equipment purchases during FY2024 totaling \$90.9 million, depreciation expense on previously capitalized assets of \$31.0 million and outstanding bond principal repayments of \$29.1 million (including \$12.0 million on the City's outstanding pension obligation bonds). The balance of principal payments are on bonds previously issued for capital project financing purposes.
- In the City's business-type activities, total expenses of \$37.2 million, including depreciation expense of \$7.7 million were supported by revenues of \$41.4 million in user fees, other service revenue, and investment income. Overall, the net position in the City's business-type activities enterprise funds increased by \$4.2 million for a combined total net position of \$154.5 million.

Government-Wide Financial Statements

The analysis of the City as a whole begins with Exhibits I and II. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting. 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 the changes within. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

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The reader needs to consider other nonfinancial factors, such as the accounting standards applied to the recognition of long-term OPEB & Pension obligations, 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, the City reports the following activities:

- *Governmental activities* - Most of the City's basic services are reported here, including education, public safety, public works, human services, culture, and general administration. Property taxes, charges for services, and State and Federal Grants finance most of these activities.
- *Business-type activities* - The City's Bureau of Water Enterprise Fund and Water Pollution Control Enterprise Funds are reported here. The City charges user fees to customers to help cover most or all of the cost of services.

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 establishes many other funds to help control and manage financial activities for particular purposes to show that it is meeting legal responsibilities for using grants and other money. The City's funds are divided into three categories: governmental, proprietary and fiduciary.

- ***Governmental Funds (Exhibits III and IV)*** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources which 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 which is included with the fund financial statements.
- ***Proprietary Funds (Exhibits V, VI and VII)*** - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Self Insured Internal Service Funds.
- ***Fiduciary Funds (Exhibits VIII and IX)*** - The City is the trustee, or fiduciary, for its employees' pension plan. 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.

CITY OF WATERBURY, CONNECTICUT
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Government-Wide Financial Analysis

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
NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Current and other assets	\$ 340,762	\$ 341,164	\$ 37,222	\$ 38,274	\$ 377,984	\$ 379,438
Internal Balances	2,793	-	(2,793)	-	-	-
Capital assets	790,432	731,148	201,604	194,595	992,036	925,743
Total assets	1,133,987	1,072,312	236,033	232,869	1,370,020	1,305,181
Deferred charge on refunding	2,396	2,645	-	31	2,396	2,676
Deferred outflow related to pension	12,065	38,656	519	2,080	12,584	40,736
Deferred outflow related to OPEB	76,579	113,683	2,569	2,769	79,148	116,452
Total deferred outflows	91,040	154,984	3,088	4,880	94,128	159,864
Long-term liabilities:						
Long-term debt	413,056	446,252	33,321	35,528	446,377	481,780
Employee benefit obligations	1,200,543	1,244,979	41,632	43,807	1,242,175	1,288,786
Risk management and other	45,913	47,551	-	-	45,913	47,551
Other liabilities	96,018	130,765	3,197	2,546	99,215	133,311
Total liabilities	1,755,530	1,869,547	78,150	81,881	1,833,680	1,951,428
Advance property tax collections	191	40	-	-	191	40
Lease receivables	7,110	7,624	-	-	7,110	7,624
Deferred inflow related to pension	721	3,187	32	126	753	3,313
Deferred inflow related to OPEB	192,910	211,338	6,395	5,358	199,305	216,696
Total deferred inflows	200,932	222,189	6,427	5,484	207,359	227,673
Net Position:						
Net investment in capital assets	559,761	483,316	169,683	160,498	729,444	643,814
Restricted	5,997	5,075	-	-	5,997	5,075
Unrestricted	(1,297,193)	(1,352,831)	(15,139)	(10,114)	(1,312,332)	(1,362,945)
Total Net Position	\$ (731,435)	\$ (864,440)	\$ 154,544	\$ 150,384	\$ (576,891)	\$ (714,056)

*As Restated

Net position of the City's governmental activities increased by \$133.0 million (negative net position of \$731.4 million compared to last year's negative net position of \$864.4 million). The City's governmental activities 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 a negative \$1.297 billion at the end of this year compared with last year's negative net position of \$1.353 billion. The \$1.297 billion negative net position encompasses a governmental activities long-term Net Pension liability of \$275 million, a long-term OPEB liability of \$931 million and a long-term Pension Obligation outstanding bond of \$180 million. The notes to the financial statements contain informative disclosures on the funding status & funding policies for the City's Pension & OPEB liabilities.

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Several positive factors contributed to the \$133 million increase in the City's Governmental Activities Net Position. Net capital assets increased by \$59 million with many large capital investments funded by ARPA & ESSER grants. \$32 million in principal debt payments were made during the fiscal year with no new debt issued. Governmental fund balances increased by \$20 million along with an increase of \$16 million in the City's Internal Service Funds Net Position.

For the Governmental Activities, the net investment in capital assets excludes pension obligation bonds outstanding of \$180.0 million as of June 30, 2024. Outstanding general obligation bonds for capital asset construction purposes totaled \$212.3 million as of June 30, 2024. Unamortized bond premiums totaled \$18.0 million.

Net position of the City's business-type activities, consisting of the City's Bureau of Water and Water Pollution Control enterprise operations increased by \$4.2 million (net position of \$154.5 million compared to last year's net position of \$150.4). Outstanding general obligation bonds and serial notes payable for plant and system capital renewal and replacements totaled \$32.0 million as of June 30, 2024. Unamortized bond premiums totaled \$1.4 million. All business-type liabilities are generally liquidated by Water and WPC fees.

**TABLE 2
CHANGES IN NET POSITION**
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 16,577	\$ 14,213	\$ 39,529	\$ 37,745	\$ 56,106	\$ 51,958
Operating grants and contributions	357,519	351,150	-	-	357,519	351,150
Capital grants and contributions	83,282	30,385	-	-	83,282	30,385
General revenues:						
Property taxes	251,390	255,012	-	-	251,390	255,012
Grants and contributions not restricted to specific purposes	54,780	41,142	-	-	54,780	41,142
Unrestricted investment earnings	17,524	12,098	1,885	1,213	19,409	13,311
Other general revenues	2,883	1,789	-	-	2,883	1,789
Total revenues	<u>783,955</u>	<u>705,789</u>	<u>41,414</u>	<u>38,958</u>	<u>825,369</u>	<u>744,747</u>
Expenses:						
General government	135,013	131,773	-	-	135,013	131,773
Public works	54,470	37,760	-	-	54,470	37,760
Public safety	68,394	76,719	-	-	68,394	76,719
Development and community affairs	4,441	4,910	-	-	4,441	4,910
Human services	10,124	17,064	-	-	10,124	17,064
Education	351,192	407,275	-	-	351,192	407,275
Culture and recreation	7,087	5,140	-	-	7,087	5,140
Interest on long-term debt	20,229	22,159	-	-	20,229	22,159
Bureau of Water	-	-	15,719	11,818	15,719	11,818
Water Pollution Control	-	-	18,852	22,899	18,852	22,899
Utility Administrative Division	-	-	2,683	2,513	2,683	2,513
Total program expenses	<u>650,950</u>	<u>702,800</u>	<u>37,254</u>	<u>37,230</u>	<u>688,204</u>	<u>740,030</u>
Change in Net Position	133,005	2,989	4,160	1,728	137,165	4,717
Net Position at Beginning of Year	<u>(864,440)</u>	<u>(877,991)</u>	<u>150,384</u>	<u>159,218</u>	<u>(714,056)</u>	<u>(718,773)</u>
Restatement	-	10,562	-	(10,562)	-	-
Net Position at End of Year	<u>\$ (731,435)</u>	<u>\$ (864,440)</u>	<u>\$ 154,544</u>	<u>\$ 150,384</u>	<u>\$ (576,891)</u>	<u>\$ (714,056)</u>

**CITY OF WATERBURY, CONNECTICUT
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Governmental Activities

The City's total governmental revenues were \$784.0 million in FY2024 as compared with \$705.8 million in the prior year, representing a \$78.2 million increase. Capital grants & contributions increased \$53 million with revenue realized on capital project expenses funded by ARPA-ESSER grants during FY2024. The Capital grants and contributions increase also reflects the reversal of a prior year \$17.6 million grant reimbursement liability waived by the State in 2024. Operating grants & contributions saw an increase of \$6.4 million due to an increase in Alliance education grant funding provided by the State. Grants and contributions not restricted to specific programs increased \$13.6 million and Unrestricted investment earnings increased \$5.4 million.

The total cost of all governmental activities programs and services was \$651.0 million in FY2024 as compared with \$702.8 million in the prior year, representing a \$51.9 million decrease. The majority of the decrease was driven by the capitalization of approximately \$45 million in school building improvements funded by ARPA-ESSER funds. The State Department of Education approved the Board of Education's application for a sizable portion of the one-time ARPA-ESSER funds to be used for school building improvements.

Table 3 presents the cost of each of the City's five largest programs - general government, public works, public safety, human services and education - 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 on the full accrual basis of accounting.

**TABLE 3
GOVERNMENTAL ACTIVITIES**
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General government	\$ 135,013	\$ 131,773	\$ 130,070	\$ 125,328
Public works	54,470	37,760	(8,227)	7,408
Public safety	68,394	76,719	62,444	71,811
Human services	10,124	17,064	4,477	3,489
Education	351,192	407,275	(17,587)	75,575
All others	31,757	32,209	22,395	23,441
Totals	<u>\$ 650,950</u>	<u>\$ 702,800</u>	<u>\$ 193,572</u>	<u>\$ 307,052</u>

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Business-Type Activities

In the City's business type activities, total expenses of \$37.2 million, including depreciation expense of \$7.7 million were supported by revenues of \$41.4 million in user fees, other service revenue, and investment income. Overall, the net position in the City's business-type activities enterprise funds increased by \$4.2 million for a combined total net position of \$154.5 million.

The Bureau of Water Enterprise Fund reported a net position decrease of \$1.5 million with total expenses of \$17.1 million exceeding total revenues of \$15.6 million. The Water Pollution Control Enterprise Fund reported a net position increase of \$5.5 million with total revenues of \$25.7 million exceeding total expenses of \$20.2 million. The City generally can only use the enterprise funds positive net positions to finance the continuing operations of the Bureau of Water and Water Pollution Control Enterprise Funds.

Changes in net position included the capitalization of \$14.7 million in capital expenses and depreciation of \$7.7 million on previously capitalized assets. \$2.0 million of principal repayments were made on outstanding capital financing.

A memorandum of decision concerning water supply and sewer use charges associated with the supply of water and the provision of sewer services to the Town of Watertown by the City of Waterbury for the period of July 1, 2018 and continuing to present was issued by the Superior Court, Judicial District of Waterbury on July 28, 2023. Since July 1, 2018 and continuing through present, the Town of Watertown has short paid the billed invoices for water and sewer services. For the period of July 1, 2018 through April 25, 2023, Waterbury has billed in aggregate principal for water and sewer service and applied interest totaling \$29.5 million with Watertown making payments totaling \$10.7 million. In its decision of July 28, 2023, the Court entered judgement for the plaintiff (City of Waterbury) on both counts finding that Watertown owes Waterbury \$18.8 million in unpaid principal and interest for water and sewer services. On August 9, 2023, the Town of Watertown filed an appeal of the July 28, 2023 decision. Appeal proceedings have continued to date with the total accrued amount due the City of Waterbury now surpassing \$25 million and rising.

In March 2023, the City entered into a third-party operation, maintenance and management services agreement with CH2M Hill Engineers, Inc., a subsidiary of Jacobs Engineering Group, Inc. to operate and manage the City's Water Treatment Plant. Effective July 1, 2023 Jacobs Engineering Group became responsible for performing all services necessary for the proper and satisfactory operation and maintenance of the water treatment plant. The term of the Agreement is for ten years.

In November 2018, the City entered into a third-party operation, maintenance and management services agreement with CH2M Hill Engineers, Inc., a subsidiary of Jacobs Engineering Group, Inc. to operate and manage the City's Water Pollution Control wastewater collection and treatment systems. Jacobs Engineering Group is now responsible for performing all services necessary for the proper and satisfactory operation and maintenance of the wastewater collection and treatment systems with full-service 24-hours-a-day, seven days a week. The term of the Agreement is for ten years.

In the City's business-type activities, a Utility Administrative Division enterprise fund exists to provide accounting, billing and collection activities for the Bureau of Water and Water Pollution Control under one Division. Premium cost allocations are included in the Bureau of Water and Water Pollution Control operating budgets to fund the Administrative Division.

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City Funds Financial Analysis

Governmental Funds

As the City closed FY2024, its governmental funds (as presented in the balance sheet - Exhibit III) reported combined fund balances of \$116.0 million as compared with \$96.1 million last year, representing a \$19.9 million overall increase.

The City's General Fund reported a total fund balance this year of \$29.4 million representing an increase of \$2.2 million. The General Fund unassigned component of fund balance is \$26.4 million with \$3.0 million assigned to the 2025 fiscal year budget. The General Fund's revenue resources available for appropriation were \$4.7 million more than anticipated. The General Fund's expenditures were \$4.3 million less than appropriated. The net budgetary surplus of \$9.0 million avoided any drawdown of the prior year's \$3.0 million designation of fund balance. Additionally, the net budgetary surplus provided for \$3.8 million in year-end surplus transfers to allocate funding for capital purchases, other programs reserves and provided for a \$2.2 million increase in the General Fund balance reserve. The General Fund's total fund balance as of June 30, 2024 of \$29.4 million, represents a reserve of 6.6% of the City's FY2025, \$446.7 million adopted budget. The City complied with the adopted policy in setting the \$3 million designation from Fund Balance as part of the fiscal 2025 adopted budget. The fund balance designation is designed to limit unnecessary tax levy growth.

The Fund Balance in the City's Debt Service Fund decreased by \$3.2 million during FY2024. The \$3.2 million decrease is part of a planned multi-year drawdown of a bond premium generated from a June 2022 bond sale. Debt service expenditures, including debt service on the 2009 pension obligations bonds, was \$51.7 million in FY2024 as compared with \$48.9 million in FY2023.

Fund balances in the City's General & Education Capital Improvement funds reflect a combined balance of \$60.9 million, increasing \$20.8 million during FY2024. Refer to Exhibits B-3 & B-4 for the schedules of changes in project fund balances. Current year capital outlay expenses of \$75.5 million were offset by \$82.9 million in receipted capital grants and other revenues. Net transfers into the Capital Improvements Funds of \$9.4 million will be used to fund various capital expenses in subsequent fiscal years. Investment income of \$4.1 million was accrued on capital reserves to further assist in funding future capital budget appropriations. Revenue in the amount of \$17.6 million was realized on the reversal of a June 30, 2023 recorded \$17.6 million accounts payable to the State. The State of Connecticut Legislature passed a bill in the 2024 Spring Legislative Session waiving ineligible costs identified by the Department of Administrative Services on six (6) school construction grant draft audit reports. The passage of the bill mitigated a \$17.6 million payable recorded as of June 30, 2023 due to the uncertainty at the time of obtaining this resolution.

The Educational Grants Fund accounts for a variety of State & Federal education based grants. Grant revenue recognized in this past fiscal year increased \$26.6 million or 18% with expenditures increasing \$25.2 million. The substantial increase in revenue and expenditures is being driven by the programming of awarded American Rescue Plan's Elementary and Secondary School Emergency Relief (ESSER) Funds as comprehensive district-wide investments and improvements continued over the past year.

**CITY OF WATERBURY, CONNECTICUT
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Annually, the City receives awards from the U.S. Department of Housing & Urban Development Programs to further community development programs, home investment and emergency assistance. The grants are known as the City's Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships Program (HOME) and the Emergency Solutions Grant Program (ESG). These program activities are accounted for in the Housing and Development Programs Fund. Revenues, expenditures and fund balance position are generally consistent year-over-year. These funds allow the City to carry out a wide variety of activities and projects, which served the low and moderate-income residents of Waterbury.

Proprietary Funds

The City's governmental activities net position reserves in the City's Internal Service Funds reported a combined \$15.9 million increase when factoring in all sources of revenue used to fund the 2024 fiscal year health benefit, workers compensation, heart & hypertension and general liability self-insured program expenses. Total unrestricted Net Position reserves of \$55.9 million are available to address long-term benefit obligations and potential volatile years in the future. Investment Income of \$9.9 million on \$78.0 million of invested assets provided for more than half of the FY2024 net position increase. FY2024 benefits, claims and administration costs increased by \$3.0 million or approximately 2.5%, well below trends for these programs. Benefit utilization has adjusted back to pre-pandemic levels. The City's cost control program measures continue to aid in controlling growth in program costs. Overall, operating revenue of \$132.0 million, including City premiums of \$96.0 million provided full funding for program expenses of \$126.0 million.

The health benefits & risk management claims current and non-current accrued liabilities of \$42.5 million as of June 30, 2024 are fully funded. Net Position program reserves at \$55.9 million has the City well positioned to assist with future potential volatility particularly with health care costs. Individually, all four (4) internal service funds continued to maintain strong positive net positions after full funding of short & long-term accrued claim liabilities.

General Fund Budgetary Highlights

The General Fund's realized revenues were \$4.7 million more than anticipated. This was largely attributable to the State's Municipal Revenue Sharing grant exceeding the budgeted estimate by \$10.6 million and Special Ed and Agency placement reimbursements exceeding budgetary estimates by \$3.3 million. Property tax collections were \$8.4 million less than anticipated as Waterbury Hospital; a for-profit institution did not make its personal property tax or real estate tax payments in FY2024. The real estate assessed value is under appeal and discussions are ongoing on the possible sale of the hospital to Yale New Haven Health. Investment Income and Charges for services revenues exceeded budgetary estimates by \$1.1 million and \$3.0 million, respectively. The collective revenue exceedances allowed for the reclass of fringe benefit revenue reimbursements from the General Fund to the Health and Workers Compensation internal service funds. General Fund expenditures were \$4.3 million less than appropriated. Most of the budgetary surplus was attained by departments operating within their budgets, generating additional cost savings throughout the year and benefitting from vacancies in budgeted positions. Nearly a third of the \$4.3 million in budgetary savings was derived from the Department of Public Works with \$1.5 million in budgetary savings spread amongst several bureaus of operations. The net budgetary surplus of \$9.0 million avoided any drawdown of the prior year's \$3.0 million designation of fund balance, provided for \$3.8 million in year-end budgetary surplus transfers to fund various capital purchases and program reserves and provided for a \$2.2 million increase in the General Fund balance reserve.

**CITY OF WATERBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Budgeted appropriations were amended after the close of the fiscal year to increase the original budget by \$3.8 million, increasing from \$440.8 million to \$444.6 million. The increase approved by the City's Board of Aldermen allowed for the year-end transfer of \$2.3 million to the City's Capital Improvement Fund and \$1.5 million to fund various special purpose projects and programs.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the City had \$992.0 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles & equipment, roads & bridges, and water & sewer plant, equipment and infrastructure - Table 4. This amount represents a net increase in capital assets (including additions, deductions and depreciation) of \$66.3 million during FY2024.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$ 28,462	\$ 28,931	\$ 1,773	\$ 1,773	\$ 30,235	\$ 30,704
Buildings, utility plant and improvements	551,565	566,147	78,955	83,700	630,520	649,847
Infrastructure	70,718	74,735	55,090	56,426	125,808	131,161
Machinery and equipment	17,432	19,070	26,471	26,919	43,903	45,989
Vehicles	9,806	10,353	1,261	895	11,067	11,248
Right-to-Use - Lease Assets	970	1,326	-	-	970	1,326
Subscription Based Information Technology Arrangement Assets	1,965	3,345			1,965	3,345
Construction in progress	109,514	27,241	38,054	24,882	147,568	52,123
Totals	\$ 790,432	\$ 731,148	\$ 201,604	\$ 194,595	\$ 992,036	\$ 925,743

Major governmental capital activities during the year included the construction-in-progress capitalization of expenditures for a variety of investments including major HVAC improvements to school buildings, streetscape road reconstruction, park improvements and vehicle purchases. A total of \$90.8 million in governmental expenses were capitalized during FY2024. Governmental depreciation expense on previously capitalized assets totaled \$40.0 million for FY2024. In the water and water pollution control business-type activities, FY2024 plant, equipment and infrastructure capitalized expenses totaled \$14.7 million. Current year depreciation on previously capitalized business-type activity assets totaled \$7.7 million. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

**CITY OF WATERBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Long-Term Debt

The City is strongly committed to attaining the right balance of capital renewal and reinvestment within the City over time. Every bond authorization submitted for approval by the City's governing body is always critically evaluated by the City's Administration. All merits of a project are evaluated to ensure the project fully warrants committing the City's bonding capacity for the identified purpose. The City's bond authorization and debt issuance management plan seeks to maintain an annual debt service cost in the 5%-6% range of total budget. A level annual debt service commitment in the 5%-6% range of total budget will provide for continual capital investment opportunities in educational facilities, infrastructure and economic development initiatives for the long-term betterment of the City, its residents & businesses and to provide long-term sustainability of the City for generations to come.

As of June 30, 2024, the City had \$424.4 million in bonds and notes outstanding versus \$455.8 million last year - as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT, AT YEAR-END**
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 392,292	\$ 421,364	\$ 16,018	\$ 17,211	\$ 408,310	\$ 438,575
Serial notes payable	169	506	15,927	16,768	16,096	17,274
Total outstanding debt	<u>\$ 392,461</u>	<u>\$ 421,870</u>	<u>\$ 31,945</u>	<u>\$ 33,979</u>	<u>\$ 424,406</u>	<u>\$ 455,849</u>

As of June 30, 2024, general purpose and education bonds authorized and unissued totaled \$55.1 million. The Education school project portion of authorized and unissued bonds totals \$18.8 million. The general purpose capital project portion of authorized and unissued bonds totals \$36.3 million.

Included in the outstanding governmental debt of \$392.5 million as of June 30, 2024 are outstanding pension obligation bonds in the amount of \$180.0 million.

The State of Connecticut limits the amount of general obligation debt cities can issue based on a formula determined under State Statutes on the type of debt and tax base. The City's outstanding general obligation debt is significantly below this \$1.8 billion state-imposed limit.

Other obligations, which include accrued vacation pay and sick leave as well as more detailed information about the City's long-term liabilities, is presented in Note 9 in the financial statements.

**CITY OF WATERBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Bureau of Water Enterprise Debt

The Bureau of Water enterprise fund has \$9.3 million in self-supporting bond and drinking water fund serial note obligations outstanding as of June 30, 2024. A \$25.0 million capital appropriation and bond authorization was approved in October 2022 for water plant equipment and system renewal capital costs. The Management of the Bureau of Water has actively pursued grants and 2% fixed loan funding from the State of Connecticut to reduce the debt service impact on the capital authorizations. As of June 30, 2024, the Bureau of Water's bonds authorized and unissued totaled \$33.0 million.

Water Pollution Control Enterprise Debt

The Water Pollution Control enterprise fund has self-supporting bond and clean water fund serial note outstanding debt totaling \$22.4 million as of June 30, 2024. A \$10.3 million capital appropriation and bond authorization was approved in May 2015 for water pollution control plant, equipment and system capital expenses. A June 15, 2022 bond issue included the sale of \$4.0 million in bonds under the May 2015 bond authorization. As of June 30, 2024, \$6.3 million of the May 2015 \$10.3 million capital appropriation & bond authorization is unissued.

In April 2018, a \$40.0 million capital appropriation and bond authorization was approved for a water pollution control phosphorous reduction upgrade project required by CT DEEP. NPDES Permit # CT0100625 required WPC to meet a more stringent effluent phosphorus limit of 0.2 mg/l by April 2020. Changes to State Public Act 16-57 allowed the City/WPC to be eligible for a 50% Clean Water Fund Grant from the State and additionally be eligible for a 2% - 20 year clean water fund loan from the State. On November 30, 2020 an interim funding obligation of \$15.5 million was converted to a permanent 20-year, 2% loan obligation with the State through the Clean Water Fund for the completed phosphorous reduction project. The June 15, 2022 bond issue included the sale of \$6.0 million in bonds under the April 2018 bond authorization to fund the replacement of the service and chemical building that was previously demolished as part of the phosphorous upgrade project. Substantial completion of the new service and chemical building was reached in September 2023.

Economic Factors and Next Year's Budgets and Rates

The City continues to advance economic development in the City through a multi-faceted approach including continuous brand marketing of the City, brownfield remediation to position parcels for redevelopment, reinvestment in the City's park system, development of PreK-8 neighborhood schools, strategic downtown infrastructure & streetscape investments, support for small business development and assistance programs and workforce development programs. Ongoing collaboration with the State, the Waterbury Chamber of Commerce, the Naugatuck Valley Regional Development Corporation & the Waterbury Development Corporation is a cornerstone of these efforts. The City has and continues to leverage its American Rescue Plan Act funding of nearly \$75 million to further these efforts.

The unemployment rates of the City and the Waterbury labor market as a whole continued to trend positively downward during the past year. As of June 2024, the labor market reflected a City unemployment rate of 4.5%, a regional unemployment rate of 3.4% and a State unemployment rate of 2.8%. Demands to fill open positions remains strong locally, regionally and throughout the State.

**CITY OF WATERBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

The City of Waterbury Assessor's Office, in consultation with eQuality Valuation Services, LLC, completed a State mandated 5-year property revaluation for the purpose of establishing the City's October 1, 2022 Grand List. The 2022 Grand List property values were used in calculating the City's proposed mill rate for the 2024-2025 budget year, adopted on June 4, 2024. Residential property owners saw property value growth that far outpaced that of commercial property since the last revaluation. The 2022 valuations reflected a high demand for homes in New England, especially in Waterbury. In April 2023 the City's Board of Aldermen approved a four (4) year phase in of the property value increases in an effort to best protect residential property owners by spreading out the impact of the property valuation. At the request of the City's Mayor, the City's Board of Aldermen also approved an increase in the local elderly property tax credit from \$250 to \$500 to protect the City's elderly homeowners.

The good news for the City, is the 2022 grand list saw a substantial increase of property values in every category with the net taxable grand list growing by nearly \$2.2 billion, representing a near 48% overall increase in property values. The October 1, 2022 net taxable grand list was \$6.8 billion compared with a pre-revaluation October 1, 2021 net taxable grand list value of \$4.6 billion.

The Mayor's \$446.7 million proposed spending package for the 2024-2025 fiscal year was approved by the City's Board of Aldermen on June 4, 2024. The approved budget reflected external cost challenges driven by significant inflation over the past year along with employee recruitment and retention challenges necessitating higher wage increases. These cost pressures have resulted in budget increases in numerous areas including labor, healthcare, fuel and utilities. The current FY2025 budget was crafted in a manner which took into consideration the projected year-end results for FY2024 within the City's General Fund, Debt Service Fund and Internal Service Funds. Revenue estimates of \$446.7 million were developed based on achievable results as a means to limit income deficiencies and thereby strengthening the likelihood of again meeting the City's undesignated fund balance objectives. The FY2025 appropriated expenditure budget of \$446.7 million represented an increase of \$5.9 million or 1.34%. Budgeted appropriations provide funding to meet current services and includes appropriate levels of budgeted contributions to the debt service and internal service funds to meet current obligations along with fully funding the Pension Fund's annual required contribution.

As a result of phasing in the second year of an adopted four-year phase-in of property value increases reflected in the October 1, 2022 revaluation, the City's mill rate was reduced by 4.75 mills. A mill rate of 49.44 mills for real estate and personal property and 32.46 mills for motor vehicles was applied to a net phased-in taxable grand list of \$5.7 billion. Property taxes are projected to provide 59.1% or \$264.0 million of all revenues needed. The annual property tax collection rate continues to be strong. The high rate of tax collection is a credit to the taxpaying residents of the City of Waterbury coupled with the use of appropriate methods of delinquent tax collection including tax sale auctions and engaging the services of a collection agency to pursue delinquent motor vehicle accounts. A lower budgeted collection rate of 96% allows for the realization of property tax revenue surpluses to buffer against any unanticipated shortfalls in other revenue categories in order to avoid use of fund balance designated to the subsequent budget. The adopted budget includes a \$3 million designated use of fund balance in accordance with the City's fund balance policy.

The user rates for the Bureau of Water and Water Pollution Control enterprise funds are also adopted annually. For the current 2025 fiscal year, the water user rate of \$2.65 per CCF was unchanged. The sewer user rate & capital recovery charge rate of \$3.953 per CCF remained unchanged for FY2025. The City's water and sewer user rates are the lowest if not the lowest in the State of Connecticut.

**CITY OF WATERBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

The FY2026 budget development process will begin in January 2025. The Mayor and his Budget Development Team are fully cognizant of additional property tax burdens being placed on residential property owners. The Administration is keenly focused on Waterbury being an affordable place to live and will continue to control budget growth in an effort to keep the property tax burden shift in the second year of the revaluation phase-in as minimal as possible.

The outlook for the 2026 budget development and adoption process will be similar to the 2025 budget development process. The budget development process will again be premised upon maintaining the long-term financial stability of the City, further stabilizing the City's reserve funds and balancing the governmental service needs of the City's taxpayers while holding the line on property tax increases.

The City's annual budget setting process avoids the utilization of unreasonable assumptions to project revenues and appropriations. Ongoing budget monitoring systems are in place to allow the City to react timely to unanticipated revenue shortfalls or unplanned costs with controlled use of the budgeted contingency account for non-recurring expenses. The budget appropriation process is precise in its detail yet considers variables that may be encountered in the course of operations.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Department, City of Waterbury, 235 Grand Street, Waterbury, Connecticut 06702.

BASIC FINANCIAL STATEMENTS

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 136,697	\$ 12,519	\$ 149,216
Investments	121,800	-	121,800
Receivables, Net	81,688	23,400	105,088
Other Current Assets	577	1,303	1,880
Internal Balances	2,793	(2,793)	-
Capital Assets:			
Assets Not Being Depreciated/Amortized	124,224	39,827	164,051
Assets Being Depreciated/Amortized, Net	666,208	161,777	827,985
Total Assets	<u>1,133,987</u>	<u>236,033</u>	<u>1,370,020</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	2,396	-	2,396
Pension	12,065	519	12,584
OPEB	76,579	2,569	79,148
Total Deferred Outflows of Resources	<u>91,040</u>	<u>3,088</u>	<u>94,128</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	72,244	3,197	75,441
Unearned Revenue	23,774	-	23,774
Noncurrent Liabilities:			
Due Within One Year	104,145	4,267	108,412
Due In More Than One Year	1,555,367	70,686	1,626,053
Total Liabilities	<u>1,755,530</u>	<u>78,150</u>	<u>1,833,680</u>
DEFERRED INFLOWS OF RESOURCES			
Advance Property Tax Collections	191	-	191
Leases	7,110	-	7,110
Pension	721	32	753
OPEB	192,910	6,395	199,305
Total Deferred Inflows of Resources	<u>200,932</u>	<u>6,427</u>	<u>207,359</u>
NET POSITION			
Net Investment In Capital Assets	559,761	169,683	729,444
Restricted			
Library	2,894	-	2,894
Expendable Trusts	1,592	-	1,592
Other	1,511	-	1,511
Unrestricted	<u>(1,297,193)</u>	<u>(15,139)</u>	<u>(1,312,332)</u>
Total Net Position	<u>\$ (731,435)</u>	<u>\$ 154,544</u>	<u>\$ (576,891)</u>

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 135,013	\$ 4,932	\$ 11	\$ -	\$ (130,070)	\$ -	\$ (130,070)
Public Works	54,470	272	-	62,425	8,227	-	8,227
Public Safety	68,394	5,053	825	72	(62,444)	-	(62,444)
Development and Community Affairs	4,441	3,470	3,570	-	2,599	-	2,599
Human Services	10,124	659	4,988	-	(4,477)	-	(4,477)
Education	351,192	99	347,928	20,752	17,587	-	17,587
Culture and Recreation	7,087	2,092	197	33	(4,765)	-	(4,765)
Interest on Long-Term Debt	20,229	-	-	-	(20,229)	-	(20,229)
Total Governmental Activities	650,950	16,577	357,519	83,282	(193,572)	-	(193,572)
BUSINESS-TYPE ACTIVITIES							
Bureau of Water	15,719	15,385	-	-	-	(334)	(334)
Waste Treatment	18,852	24,144	-	-	-	5,292	5,292
Utility Administrative Division	2,683	-	-	-	-	(2,683)	(2,683)
Total Business-Type Activities	37,254	39,529	-	-	-	2,275	2,275
Total	\$ 688,204	\$ 56,106	\$ 357,519	\$ 83,282	(193,572)	2,275	(191,297)
GENERAL REVENUES							
Property Taxes					251,390	-	251,390
Grants and Contributions Not Restricted to Specific Programs					54,780	-	54,780
Unrestricted Investment Earnings					17,524	1,885	19,409
Miscellaneous					2,883	-	2,883
Total General Revenues					326,577	1,885	328,462
CHANGE IN NET POSITION							
					133,005	4,160	137,165
Net Position, July 1, 2023, As Restated					(864,440)	150,384	(714,056)
NET POSITION, JUNE 30, 2024							
					\$ (731,435)	\$ 154,544	\$ (576,891)

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	General	Debt Service	General Capital Improvement	Education Capital Improvement	Educational Grants	Housing and Development Programs	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 17,802	\$ 7,501	\$ 83,990	\$ 715	\$ -	\$ 300	\$ 6,148	\$ 116,456
Investments	40,948	-	-	-	-	-	2,841	43,789
Receivables, Net	13,540	-	9,357	10,062	29,728	13,693	4,340	80,720
Due from Other Funds	12,914	-	-	-	-	-	-	12,914
Other	-	-	-	-	-	-	319	319
Total Assets	<u>\$ 85,204</u>	<u>\$ 7,501</u>	<u>\$ 93,347</u>	<u>\$ 10,777</u>	<u>\$ 29,728</u>	<u>\$ 13,993</u>	<u>\$ 13,648</u>	<u>\$ 254,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ 42,563	\$ 1	\$ 8,498	\$ 2,004	\$ 13,633	\$ 194	\$ 832	\$ 67,725
Due to Other Funds	-	-	-	-	8,747	155	325	9,227
Unearned Revenue	-	-	22,505	-	476	29	764	23,774
Total Liabilities	<u>42,563</u>	<u>1</u>	<u>31,003</u>	<u>2,004</u>	<u>22,856</u>	<u>378</u>	<u>1,921</u>	<u>100,726</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Property Taxes	4,519	-	-	-	-	-	-	4,519
Unavailable Revenue - Loans Receivable	-	-	-	-	-	12,703	-	12,703
Unavailable Revenue - Other Receivables	1,550	-	188	10,062	-	-	1,172	12,972
Leases	7,024	-	-	-	-	-	86	7,110
Advanced Property Tax Collections	191	-	-	-	-	-	-	191
Total Deferred Inflows Of Resources	<u>13,284</u>	<u>-</u>	<u>188</u>	<u>10,062</u>	<u>-</u>	<u>12,703</u>	<u>1,258</u>	<u>37,495</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	464	464
Restricted	28	-	3,800	-	-	-	5,852	9,680
Committed	-	7,500	13,337	-	6,872	912	4,153	32,774
Assigned	3,000	-	45,019	-	-	-	-	48,019
Unassigned	26,329	-	-	(1,289)	-	-	-	25,040
Total Fund Balances	<u>29,357</u>	<u>7,500</u>	<u>62,156</u>	<u>(1,289)</u>	<u>6,872</u>	<u>912</u>	<u>10,469</u>	<u>115,977</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 85,204</u>	<u>\$ 7,501</u>	<u>\$ 93,347</u>	<u>\$ 10,777</u>	<u>\$ 29,728</u>	<u>\$ 13,993</u>	<u>\$ 13,648</u>	<u>\$ 254,198</u>

See accompanying Notes to Financial Statements.

**CITY OF WATERBURY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$ 115,977
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Amounts reported for governmental activities in the statement of net position (Exhibit I)
are different because of the following:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental Capital Assets	1,257,379
Less: Accumulated Depreciation and Amortization	(466,947)
Net Capital Assets	790,432

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

Property Tax Receivables Greater Than 60 Days	3,872
Interest Receivable on Property Taxes	647
Other Receivables	12,972
Loans Receivable	12,703
Deferred Outflows Related to Pension	12,065
Deferred Outflows Related to OPEB	76,579

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.

55,867

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	(392,461)
Deferred Charge on Refunding	2,396
Unamortized Bond Premium	(17,972)
Interest Payable on Bonds And Notes	(4,333)
Leases Payable	(1,049)
Subscription Based Information Technology Arrangement Liability	(1,574)
Accrued Compensated Absences	(32,539)
Retired Employee Obligations	(2,254)
Total OPEB Liability	(901,611)
Net Pension Liability	(264,139)
Deferred Inflows Related to Pension	(721)
Deferred Inflows Related to OPEB	(192,910)
Landfill Post-Closure	(420)
Pollution Remediation	(2,962)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$ (731,435)
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CITY OF WATERBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	General	Debt Service Fund	General Capital Improvement	Education Capital Improvement	Educational Grants	Housing and Development Programs	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Property Taxes	\$ 251,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,278
Intergovernmental	213,833	-	59,083	20,523	174,789	3,574	19,835	491,637
Investment Income	2,093	564	4,146	1	268	-	594	7,666
Charges for Services	10,552	-	-	-	-	-	5,684	16,236
Reimbursements	5,667	-	-	-	-	-	-	5,667
Other	1,027	-	3,271	-	373	151	1,336	6,158
Total Revenues	484,450	564	66,500	20,524	175,430	3,725	27,449	778,642
EXPENDITURES								
Current:								
General Government	13,202	-	-	-	-	-	2,229	15,431
Public Works	22,037	-	-	-	-	-	7	22,044
Public Safety	64,299	-	-	-	-	-	4,780	69,079
Development and Community Affairs	1,206	-	-	-	-	3,696	-	4,902
Human Services	4,893	-	-	-	-	-	5,313	10,206
Education	196,489	-	-	-	176,179	-	15,004	387,672
Culture and Recreation	1,938	-	-	-	-	-	2,521	4,459
General Financial	117,423	-	-	-	-	-	-	117,423
Capital Outlay	-	-	69,555	5,912	-	-	-	75,467
Debt Service:								
Principal	337	29,072	-	-	-	-	-	29,409
Interest	-	22,655	-	-	-	-	-	22,655
Total Expenditures	421,824	51,727	69,555	5,912	176,179	3,696	29,854	758,747
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	62,626	(51,163)	(3,055)	14,612	(749)	29	(2,405)	19,895
OTHER FINANCING SOURCES (USES)								
Transfers In	-	47,978	9,734	4,500	1,218	300	2,614	66,344
Transfers Out	(60,402)	-	(4,942)	-	-	-	(1,000)	(66,344)
Total Other Financing Sources (Uses)	(60,402)	47,978	4,792	4,500	1,218	300	1,614	-
NET CHANGE IN FUND BALANCES	2,224	(3,185)	1,737	19,112	469	329	(791)	19,895
Fund Balance - July 1, 2023	27,133	10,685	60,419	(20,401)	6,403	583	11,260	96,082
FUND BALANCES - JUNE 30, 2024	<u>\$ 29,357</u>	<u>\$ 7,500</u>	<u>\$ 62,156</u>	<u>\$ (1,289)</u>	<u>\$ 6,872</u>	<u>\$ 912</u>	<u>\$ 10,469</u>	<u>\$ 115,977</u>

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 19,895

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

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 and amortization expense:

Capital Outlay	90,849
Depreciation and Amortization Expense	(30,993)

In the statement of activities, the loss on the sale or disposal of capital assets is reported. However, in the governmental funds, the transaction is not reported. Thus the change in net position differs from the change in fund balance by the loss on assets disposed. (571)

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	225
Property Tax Interest and Lien Revenue - Accrual Basis Change	(113)
Loans Receivable - Accrual Basis Change	(12)
Other Receivables - Accrual Basis Change	1,677
Change in Deferred Outflows Related to Pension	(26,591)
Change in Deferred Outflows Related to OPEB	(37,104)

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 issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond Principal Payments	29,072
Amortization of Premiums	2,453
Note Principal Payments	337
Lease Principal Payments	343

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. The details of the changes in other recorded obligations are as follows:

Compensated Absences	(1,620)
Retired Employee Obligations	908
Accrued Interest	302
Landfill Post Closure Care	70
Pollution Remediation	1,180
Change in Net Pension Liability	16,115
Change in Total OPEB Liability	29,033
Change in Deferred Inflows Related to Pension	2,466
Change in Deferred Inflows Related to OPEB	18,428

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

15,915

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	<u>\$ 133,005</u>
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See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Business-Type Activities				Governmental Activities
	Major Funds		Nonmajor Fund		Internal Service Funds
	Bureau of Water Enterprise Fund	Water Pollution Control Enterprise Fund	Utility Administrative Division	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 121	\$ 11,577	\$ 821	\$ 12,519	\$ 20,241
Investments	-	-	-	-	78,011
Receivables, Net	6,800	16,600	-	23,400	968
Prepaid Expenses	-	-	-	-	258
Materials and Supplies	1,303	-	-	1,303	-
Total Current Assets	8,224	28,177	821	37,222	99,478
Noncurrent Assets:					
Capital Assets, Net	62,515	138,967	122	201,604	-
Total Assets	70,739	167,144	943	238,826	99,478
DEFERRED OUTFLOWS OF RESOURCES					
Pension	343	176	-	519	-
OPEB	1,693	876	-	2,569	-
Total Deferred Outflows of Resources	2,036	1,052	-	3,088	-
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Expenses	1,808	1,379	10	3,197	186
Due to Other Funds	2,793	-	-	2,793	894
Bonds And Serial Notes Payable	613	1,366	70	2,049	-
Compensated Absences	81	-	47	128	-
Total OPEB Liability	1,462	628	-	2,090	-
Risk Management Claims	-	-	-	-	18,278
Total Current Liabilities	6,757	3,373	127	10,257	19,358
Noncurrent Liabilities:					
Bonds And Serial Notes Payable	9,284	21,778	210	31,272	-
Compensated Absences	325	-	174	499	-
Risk Management Claims	-	-	-	-	24,253
Net Pension Liability	7,493	3,818	-	11,311	-
Total OPEB Liability	18,048	9,556	-	27,604	-
Total Noncurrent Liabilities	35,150	35,152	384	70,686	24,253
Total Liabilities	41,907	38,525	511	80,943	43,611
DEFERRED INFLOWS OF RESOURCES					
Pension	21	11	-	32	-
OPEB	4,195	2,200	-	6,395	-
Total Deferred Inflows of Resources	4,216	2,211	-	6,427	-
NET POSITION					
Net Investment In Capital Assets	52,618	117,223	(158)	169,683	-
Unrestricted	(25,966)	10,237	590	(15,139)	55,867
Total Net Position	\$ 26,652	\$ 127,460	\$ 432	\$ 154,544	\$ 55,867

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Business-Type Activities				Government Activities
	Major Funds		Nonmajor Fund		Internal Service Funds
	Bureau of Water Enterprise Fund	Water Pollution Control Enterprise Fund	Utility Administrative Division	Total	
OPERATING REVENUES					
Operations	\$ 15,159	\$ 23,896	\$ -	\$ 39,055	\$ -
Employer Premiums	-	-	-	-	95,995
Charges for Services	-	-	-	-	16,937
Other	226	248	-	474	19,098
Total Operating Revenues	15,385	24,144	-	39,529	132,030
OPERATING EXPENSES					
Operations	7,861	10,030	-	17,891	-
Administration and General	5,728	2,322	2,605	10,655	-
Depreciation	1,837	5,761	64	7,662	-
Benefits, Claims, and Administration	-	-	-	-	125,972
Total Operating Expenses	15,426	18,113	2,669	36,208	125,972
OPERATING INCOME (LOSS)	(41)	6,031	(2,669)	3,321	6,058
NONOPERATING INCOME (EXPENSE)					
Investment Income	221	1,579	85	1,885	9,857
Interest Expense	(293)	(739)	(14)	(1,046)	-
Net Nonoperating Income (Expense)	(72)	840	71	839	9,857
INCOME (LOSS) BEFORE TRANSFERS	(113)	6,871	(2,598)	4,160	15,915
Transfers In	120	120	2,930	3,170	-
Transfers Out	(1,465)	(1,465)	(240)	(3,170)	-
CHANGE IN NET POSITION	(1,458)	5,526	92	4,160	15,915
Total Net Position - July 1, 2023, As Restated	28,110	121,934	340	150,384	39,952
TOTAL NET POSITION - JUNE 30, 2024	<u>\$ 26,652</u>	<u>\$ 127,460</u>	<u>\$ 432</u>	<u>\$ 154,544</u>	<u>\$ 55,867</u>

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Business-Type Activities				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Bureau of Water Enterprise Fund	Water Pollution Control Enterprise Fund	Utility Administrative Division		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Operations	\$ 13,480	\$ 18,211	-	\$ 31,691	\$ -
City's Contribution	-	-	-	-	95,995
Cash Received from Employees and Other	226	248	-	474	36,013
Cash Paid to Employees for Services	(6,030)	(1,495)	(1,995)	(9,520)	-
Cash Paid to Vendors	(3,096)	(11,341)	(571)	(15,008)	(127,799)
Net Cash Provided (Used) by Operating Activities	4,580	5,623	(2,566)	7,637	4,209
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(4,524)	(10,147)	-	(14,671)	-
Principal Payment - Bonds and Notes	(675)	(1,462)	(71)	(2,208)	-
Interest Paid on Bonds and Notes	(292)	(753)	(14)	(1,059)	-
Net Cash Used by Capital and Related Financing Activities	(5,491)	(12,362)	(85)	(17,938)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from Other Funds	120	120	2,930	3,170	-
Transfer to Other Funds	(1,465)	(1,465)	(240)	(3,170)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,345)	(1,345)	2,690	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend Income	221	1,579	85	1,885	4,934
Reinvested Dividends	-	-	-	-	(4,987)
Net Cash Provided by Investing Activities	221	1,579	85	1,885	2,867
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,035)	(6,505)	124	(8,416)	7,076
Cash and Cash Equivalents - July 1, 2023	2,156	18,082	697	20,935	13,165
CASH AND CASH EQUIVALENTS - JUNE 30, 2024	<u>\$ 121</u>	<u>\$ 11,577</u>	<u>821</u>	<u>\$ 12,519</u>	<u>\$ 20,241</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (41)	\$ 6,031	(2,669)	\$ 3,321	\$ 6,058
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	1,837	5,761	64	7,662	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
(Increase) Decrease in Receivables	(1,679)	(5,685)	-	(7,364)	(22)
(Increase) Decrease in Prepaid Expenses	-	-	-	-	(16)
Increase (Decrease) in Accounts Payable and Accrued Expenses	1,211	(552)	6	665	14
Increase (Decrease) in Due to Other Funds	2,793	-	-	2,793	(1,437)
Increase (Decrease) in Compensated Absences	65	(3)	33	95	-
Increase (Decrease) in Risk Management Claim Liabilities	-	-	-	-	(388)
Increase (Decrease) in Net Pension Liability	(474)	(264)	-	(738)	-
Increase (Decrease) in Total OPEB Liability	(1,065)	(467)	-	(1,532)	-
Increase (Decrease) in Deferred Charge on Refunding	31	-	-	31	-
Increase (Decrease) in Deferred Inflows of Resources - Pension	(35)	(59)	-	(94)	-
Increase (Decrease) in Deferred Inflows of Resources - OPEB	1,806	(769)	-	1,037	-
Increase (Decrease) in Deferred Outflows of Resources - Pension	589	972	-	1,561	-
Increase (Decrease) in Deferred Outflows of Resources - OPEB	(458)	658	-	200	-
Total Adjustments	4,621	(408)	103	4,316	(1,849)
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,580</u>	<u>\$ 5,623</u>	<u>(2,566)</u>	<u>\$ 7,637</u>	<u>\$ 4,209</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Increase (Decrease) in Value of Investments					<u>\$ 4,923</u>

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Pension Trust Fund
ASSETS	
Cash and Cash Equivalents	\$ 21,166
Investments:	
Corporate Bonds	14,089
U.S. Government Securities	15,753
U.S. Government Agencies	2,123
Private Equity Funds - Real Estate	9,908
Mutual Funds	41,204
Common and Preferred Stock	311,380
Total Assets	<u>415,623</u>
NET POSITION	
Restricted for Pensions	<u>\$ 415,623</u>

See accompanying Notes to Financial Statements.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

ADDITIONS

Contributions:

Employer	\$ 23,100
Plan Members	7,243
Total Contributions	<u>30,343</u>

Investment Income:

Net Change in Fair Value of Investments	35,072
Interest and Dividends	12,093
Total Investment Income	<u>47,165</u>

Total Additions	77,508
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DEDUCTIONS

Benefits	53,254
Refunds	433
Total Deductions	<u>53,687</u>

CHANGE IN NET POSITION

23,821

Net Position Restricted for Pension Benefits - July 1, 2023

391,802**NET POSITION RESTRICTED FOR PENSION BENEFITS - JUNE 30, 2024**\$ 415,623

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Waterbury was founded in 1674, incorporated as a village in 1686 and became a City in 1853. The City operates under a Mayor-Board of Aldermen form of government. Included in the services provided by the City are public safety, highways and streets, sanitation, health and social services, culture, recreation, education, public improvement, planning and zoning, and general administrative services.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Unit

The City has established a single-employer Pension Trust Fund to provide retirement benefits to employees and their beneficiaries. The Retirement Board governs the Pension plan and the City is required to make contributions to the pension plan.

The financial statements of the fiduciary component units are reported as the Pension Trust Fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

Blended Component Unit

Waterbury Development Agency

The Waterbury Development Agency (WDA) was established in 1949 to administer various programs including urban renewal and economic development, central relocation and housing development. The WDA's sole remaining purpose of existence is to represent the City as its designated redevelopment agency, allowing for the performance of certain activities on behalf of the City that only a designated redevelopment agency can perform such as acquiring properties that will then be owned by the City. The WDA is included as part of the Housing and Development Programs Fund (Major Special Revenue Fund).

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organizations

The City has designated the Waterbury Development Corporation (WDC), among other designations, as the City's economic development agency, housing site development agency and community development agency. Under a subrecipient agreement between the City and the WDC, the WDC has assumed certain City responsibilities and obligations to administer projects on behalf of the City. The Mayor sits on the Board of the WDC and is responsible for the ultimate appointment of 10 members of the 25-member Board.

The City has designated the Naugatuck Valley Regional Development Corporation (NVRDC), as the City's regional economic development agency. The NVRDC was formed to serve as an organization that would foster regional collaboration amongst business leaders and municipal leaders and leverage that collaboration to drive greater investment and State and Federal aid within the region. The over-arching goal of the NVRDC is to facilitate business attraction, retention and expansion in Waterbury and throughout the region, ultimately providing employment opportunities and taxable capital investment for the community. The Board of Directors shall always include the Mayors of the City of Waterbury and Borough of Naugatuck. All other directors shall be chosen in the manner described in the By-Laws of the NVRDC.

The Mayor is responsible for appointing board members to the City's Housing Authority and the Brass Centers Limited Corporation (BCL). The City's accountability for these organizations extends beyond making these appointments. The City has provided for certain guarantees in the event a future environmental liability associated with BCL's Brass Mill Center Project was to occur.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which are considered available if they are collected within 1 year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

The *Debt Service Fund* accounts for financial resources transferred in from other funds to fund debt service obligations.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *General Capital Improvement Fund* accounts for all the financial resources including transfers from the General Fund and bond proceeds used to finance the City's general capital improvement projects.

The *Education Capital Improvement Fund* accounts for all the financial resources including school construction grants, bond proceeds and transfers from the General Fund to finance the City's school building construction, addition and renovation projects.

The *Educational Grants Fund* accounts for all the educational grants administered by the Board of Education.

The *Housing and Development Programs Fund* accounts for the financial resources dedicated primarily for housing loan assistance and community development initiatives.

The City reports the following major proprietary funds:

The *Bureau of Water Enterprise Fund* accounts for the operation of the City's water distribution system.

The *Water Pollution Control Enterprise Fund* accounts for the operation of the sewage treatment plant and collection systems.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for the City's risk management functions.

The *Pension Trust Fund* accounts for the fiduciary activities of the City of Waterbury Retirement System, which accumulates resources for pension benefit payments to qualified City employees.

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.

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.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Deposits and Investments

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

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

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

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance of \$12,103 is equal to 74.1% of outstanding property taxes as of June 30, 2024.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

Real, personal and motor vehicle property taxes are levied on the assessed value at the rate enacted by the Board of Aldermen in the annual budget ordinance.

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year and are billed on the following July 1 and January 1. Taxes are overdue on August 1 and February 1. Interest at the rate of 1-1/2% per month accrues on all overdue taxes. If taxes are unpaid as of June 30, following the payable date, a lien is placed on the real property. Property assessments are made at 70% of the market value.

Property tax revenues are recognized when they become measurable and available. Available means due, or past due and collectible within 60 days of the end of the current period. The amount of property taxes receivable but not recorded as revenue is recorded as a deferred inflow of resources. Deferred inflows resulting from the accounting for property taxes is \$4,519.

F. Material, Supplies, and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, and donated works of art and similar items, are recorded at acquisition value.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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.

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

Land Improvements	20 Years
Buildings	50 Years
Other Structures	25 Years
Infrastructure	10 to 65 Years
Machinery and Equipment	5 to 20 Years
Vehicles	5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Subscription-based information technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term.

SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future 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 and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings, or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees). The City also reports deferred inflow(s) of resources related to advanced property tax collections and leases in the government-wide statement of net position and in the governmental funds. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, loans and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specified payment rates established by contract, regulation or policy. The General Fund generally liquidates this liability. Accumulated vacation and sick time is recognized as a liability of the City.

J. Net Pension Liability

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

K. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

L. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

Net Position

In the government-wide financial statements and in proprietary fund types, net position 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. Accumulated depreciation and amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position - This category represents the net position of the City that is restricted by externally imposed constraints placed on the net position by grantors, contributors or laws and regulations of other governments.

Unrestricted Net Position - This category represents the net position of the City that is not restricted for any project or other purpose.

Fund Balance

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Aldermen). An approval of a resolution by the Board of Aldermen is required to establish, modify or rescind a commitment of fund balance.

Assigned Fund Balance - This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the City Charter. The assignment of fund balance requires formal approval of the City's Board of Aldermen. The City's Mayor or designee (Budget Director or Finance Director) are authorized to submit resolutions to the Board of Aldermen for assignment consideration. The City's Fund Balance Policy limits the assignment of fund balance as a revenue source for the subsequent year's budget to no more than 1% of the prior year's budgetary based actual expenditures. An approval of a resolution by the Board of Aldermen is required to establish, modify or rescind an assignment of fund balance.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund Balance (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 fund balance deficit, it is reported as a negative amount in unassigned fund balance.

N. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance.

O. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues and expenditures/expenses during the fiscal year.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

A budget for the General Fund is authorized annually by the Board of Aldermen. The procedures for establishing the budgetary data reflected in the basic financial statements are as follows:

- The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Aldermen holds two public hearings and adjusts the proposed budget to incorporate taxpayer comments, as considered necessary.
- The budget is legally enacted through a Board of Aldermen resolution.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- At any time, in any fiscal year, upon recommendation of the Mayor and approval of the Board of Aldermen, the City may transfer any unexpended balance or any part thereof of any specific appropriation as made for that year to such other department or for such other purposes as the Board of Aldermen may designate.
- At any time, in any fiscal year, upon recommendation of the Mayor and approval of the Board of Aldermen, the City may increase the amount of any specific appropriation as made for that year to such department or for such purpose as the Board of Aldermen may designate. Any increased appropriation must be reconciled by an accompanying increase in revenue.

Formal budgetary integration is employed as a management control device in the General Fund during the year. Formal budgetary integration is not employed in Capital Projects and Special Revenue Funds because budgetary control is alternately achieved by constraints imposed by the project authorization or grant awards related to these funds.

Except for encumbrance accounting, the on-behalf contributions from the State of Connecticut into the TRB Pension and OPEB plans, Subscription-Based Information Technology Arrangements and some intergovernmental grant revenues, the budget is prepared on the modified accrual basis of accounting. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

Generally, all unencumbered appropriations lapse at year end except those for capital project funds. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

For fiscal year 2024, there were additional appropriations of \$3,825 from fund balance derived from budgetary surpluses generated during the year.

B. Deficit Fund Balance

The following fund had a deficit net position balance as of June 30, 2024:

Major Fund:

Education Capital Improvement	<u>\$ 1,289</u> *
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- * The deficit will be funded by the receipt of school construction grant revenues and the issuance of bonds to permanently finance capital expenditures incurred on approved capital projects.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

A. Deposits

Deposit Custodial Credit Risk

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

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$55,050 of the City's bank balance of \$56,706 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 25,077
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the City's Name	29,973
Total Amount Subject to Custodial Credit Risk	<u>\$ 55,050</u>

Cash Equivalents

At June 30, 2024, the City had deposits in the State of Connecticut Short-Term Investment Fund (STIF) of \$125,667. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Credit Risk – Cash Equivalents

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the City as rated by Standard & Poor's:

	Standard and Poor's
State Short-Term Investment Fund (STIF)	AAAm

B. Investments

As of June 30, 2024, the City had the following investments:

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificate of Deposit	\$ 40,948	\$ 7,365	\$ 33,583	\$ -
U.S. Government Securities	15,797	-	14,963	834
U.S. Government Agencies	2,123	-	-	2,123
Corporate Bonds	14,125	449	13,173	503
Total	<u>72,993</u>	<u>\$ 7,814</u>	<u>\$ 61,719</u>	<u>\$ 3,460</u>
Other Investments:				
Mutual Funds	85,774			
Common and Preferred Stock	347,582			
Private Equity Funds - Real Estate	9,908			
Total Investments	<u>\$ 516,257</u>			

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Presented below is the rating of investments for each debt investment type:

Average Rating	Corporate Bonds	U.S. Government Securities	Certificate of Deposit	U.S. Government Agencies	Mutual Funds
Aaa	\$ -	\$ 15,797	\$ -	\$ -	\$ -
Aa2	467	-	-	-	-
Aa3	186	-	-	-	-
A1	3,204	-	-	-	-
A2	1,864	-	-	-	-
A3	3,107	-	-	-	-
Baa1	2,467	-	-	-	-
Baa2	2,457	-	-	-	-
Baa3	373	-	-	-	-
Unrated	-	-	40,948	2,123	85,774
Total	<u>\$ 14,125</u>	<u>\$ 15,797</u>	<u>\$ 40,948</u>	<u>\$ 2,123</u>	<u>\$ 85,774</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2024:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	15,797	\$ 15,797	\$ -	\$ -
U.S. Government Agencies	2,123	-	2,123	-
Common and Preferred Stock	347,582	347,582	-	-
Corporate Bonds	14,125	-	14,125	-
Mutual Funds	85,774	85,774	-	-
Certificates of Deposit	40,948	40,948	-	-
Total Investments by Fair Value				
Level	506,349	<u>\$ 490,101</u>	<u>\$ 16,248</u>	<u>\$ -</u>
Investments Recorded at Net Asset Value:				
Private Equity Fund - Real Estate	9,908			
Total Investments	<u>\$ 516,257</u>			

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.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Private equity funds are valued as described in the following schedule.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table (in thousands).

	Fair Value	Net Commitments	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Investment Type
Brookfield Strategic Real Estate Partners IV iCapital Onshore Access Fund L.P.	<u>\$ 9,908</u>	<u>\$ 15,000</u>	<u>\$ 5,329</u>	Restricted	N/A	Equity

Private Equity Fund – Real Estate

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.

Interest Rate Risk

The City's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Credit Risk – Investments

As indicated above, State Statutes limit the investment options of cities and towns. The City's investment policy further limits its investment choices including prohibiting investments in derivatives.

Concentration of Credit Risk

The City's pension fund investment policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity. The City does not have any individual investments (other than United States Government guaranteed obligations and mutual funds) that represent 5% or more of the total investments in the City of Waterbury Retirement System.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's formal investment policy includes sections regarding safekeeping and custody of investments to mitigate custodial credit risk. With the exception of the City's certificates of deposit, which are fully insured and collateralized, the City's individual investments in equities, corporate bonds, corporate asset backed securities and U.S. government agencies are uninsured and unregistered securities held by a counterparty or by its trust department or agent that are not in the City's name.

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	General Capital	Education Capital	Educational Grants	Housing and Development Programs	Bureau of Water	Water Pollution Control	Nonmajor and Other Funds	Total
Receivables:									
Taxes	\$ 16,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,333
Accrued Interest on Taxes	3,799	-	-	-	-	-	-	-	3,799
Service Fees	-	-	-	-	-	9,324	5,785	-	15,109
Unbilled Revenue	-	-	-	-	-	2,264	3,238	-	5,502
Intermunicipal Fees	-	-	-	-	-	-	20,321	-	20,321
Intergovernmental	-	9,357	10,062	29,728	990	-	-	2,858	52,995
Loans	-	-	-	-	12,703	-	-	-	12,703
Leases	7,046	-	-	-	-	-	-	88	7,134
Accounts and Other	4,068	-	-	-	-	331	149	2,362	6,910
Gross Receivables	31,246	9,357	10,062	29,728	13,693	11,919	29,493	5,308	140,806
Less Allowance for Uncollectibles:									
Taxes	(12,103)	-	-	-	-	-	-	-	(12,103)
Accrued Interest on Taxes	(3,152)	-	-	-	-	-	-	-	(3,152)
Service Fees	-	-	-	-	-	(4,044)	(9,936)	-	(13,980)
Accounts and Other	(2,451)	-	-	-	-	(1,075)	(2,957)	-	(6,483)
Total Allowance	(17,706)	-	-	-	-	(5,119)	(12,893)	-	(35,718)
Net Total Receivables	\$ 13,540	\$ 9,357	\$ 10,062	\$ 29,728	\$ 13,693	\$ 6,800	\$ 16,600	\$ 5,308	\$ 105,088

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 4 RECEIVABLES (CONTINUED)

Lease Receivables

The City, acting as lessor, leases various property under long-term, noncancelable lease agreements. The leases expire at various dates through 2054. During the year ended December 31, 2024, the City recognized \$1,251 and \$150 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,175	\$ 130
2026	1,130	105
2027	1,023	81
2028	474	63
2029	72	57
2030-2034	356	270
2035-2039	492	233
2040-2044	658	183
2045-2049	858	117
2050-2054	896	33
Total	<u>\$ 7,134</u>	<u>\$ 1,272</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 13,924	\$ 786	\$ -	\$ -	\$ 14,710
Construction in Progress	27,241	(8,118)	90,391	-	109,514
Total Capital Assets Not Being Depreciated	41,165	(7,332)	90,391	-	124,224
Capital Assets Being Depreciated:					
Land Improvements	31,756	-	105	-	31,861
Buildings and Improvements	814,030	5,315	-	(1,474)	817,871
Infrastructure	198,761	-	-	-	198,761
Machinery and Equipment	54,033	1,013	343	(1,211)	54,178
Vehicles	23,494	1,004	10	(746)	23,762
Total Capital Assets Being Depreciated	1,122,074	7,332	458	(3,431)	1,126,433
Less Accumulated Depreciation for:					
Land Improvements	(16,749)	-	(1,360)	-	(18,109)
Buildings and Improvements	(247,883)	-	(19,509)	1,086	(266,306)
Infrastructure	(124,026)	-	(4,017)	-	(128,043)
Machinery and Equipment	(34,963)	-	(2,876)	1,093	(36,746)
Vehicles	(13,141)	-	(1,496)	681	(13,956)
Total Accumulated Depreciation	(436,762)	-	(29,258)	2,860	(463,160)
Intangible Right-to-Use - Lease Asset:					
Machinery and Equipment	21	-	-	(21)	-
Vehicles	294	-	-	-	294
Buildings	1,738	-	-	-	1,738
Total Intangible Right-to-Use - Lease Asset	2,053	-	-	(21)	2,032
Less Accumulated Amortization:					
Equipment	(20)	-	-	20	-
Vehicles	(168)	-	(84)	-	(252)
Buildings	(539)	-	(271)	-	(810)
Total Accumulated Amortization	(727)	-	(355)	20	(1,062)
Intangible Subscription Based Information					
Technology Arrangement Assets					
Subscription Based Information					
Technology Arrangements	4,690	-	-	-	4,690
Less Accumulated Amortization:					
Subscription Based Information					
Technology Arrangements	(1,345)	-	(1,380)	-	(2,725)
Total Capital Assets Being Depreciated/Amortized, Net	689,983	7,332	(30,535)	(572)	666,208
Governmental Activities Capital Assets, Net	\$ 731,148	\$ -	\$ 59,856	\$ (572)	\$ 790,432

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 1,773	\$ -	\$ -	\$ -	\$ 1,773
Construction in Progress	24,882	(1,295)	14,467	-	38,054
Total Capital Assets Not Being Depreciated	26,655	(1,295)	14,467	-	39,827
Capital Assets Being Depreciated:					
Utility Plant	147,464	-	-	-	147,464
Infrastructure	110,981	-	-	-	110,981
Machinery and Equipment	83,593	568	203	-	84,364
Vehicles	4,067	728	-	-	4,795
Total Capital Assets Being Depreciated	346,105	1,296	203	-	347,604
Less Accumulated Depreciation for:					
Utility Plant	(63,764)	-	(4,745)	-	(68,509)
Infrastructure	(54,555)	-	(1,336)	-	(55,891)
Machinery and Equipment	(56,674)	-	(1,219)	-	(57,893)
Vehicles	(3,172)	-	(362)	-	(3,534)
Total Accumulated Depreciation	(178,165)	-	(7,662)	-	(185,827)
Total Capital Assets Being Depreciated, Net	167,940	1,296	(7,459)	-	161,777
Business-Type Activities Capital Assets, Net	\$ 194,595	\$ 1	\$ 7,008	\$ -	\$ 201,604

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 2,280
Public Works (Including Parks)	9,710
Public Safety	3,185
Education	13,667
Culture and Recreation	2,138
Human Services	13
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 30,993</u>
Business-Type Activities:	
Bureau of Water	\$ 1,837
Water Pollution Control	5,761
Utility Admin Division	64
Total Depreciation Expense - Business-Type Activities	<u>\$ 7,662</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
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NOTE 6 CONSTRUCTION COMMITMENTS

The City has authorized capital projects for the improvement and expansion of the City's facilities, infrastructure and other capital items. The following is a summary of the City's authorized capital projects by major program and the related commitments as of June 30, 2024:

Program	Project Authorization	Cumulative Expenditures	Encumbered	Balance June 30, 2024
General Capital Improvement	\$ 452,221	\$ 290,552	\$ 45,019	\$ 116,650
Education Capital Improvement	144,056	100,854	3,025	40,177
Water Enterprise Improvement	54,800	22,880	13,391	18,529
WPC Enterprise Improvement	80,939	58,569	5,182	17,188
Total	<u>\$ 732,016</u>	<u>\$ 472,855</u>	<u>\$ 66,617</u>	<u>\$ 192,544</u>

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2024 is presented below:

Receivable Fund	Payable Fund	Amount
General Fund	Internal Service Funds	\$ 894
General Fund	Housing and Development Programs Fund	155
General Fund	Educational Grants Fund	8,747
General Fund	Bureau of Water Enterprise Fund	2,793
General Fund	Nonmajor Governmental Funds	325
Total		<u>\$ 12,914</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

A summary of interfund transfers is presented below:

	Transfers In				Housing and Development Programs
	Debt Service	General Capital	Education Capital	Educational Grants	
Transfers Out:					
General Fund	\$ 47,686	\$ 8,734	\$ -	\$ 1,218	\$ 300
General Capital Improvement	292	-	4,500	-	-
Nonmajor Governmental Funds	-	1,000	-	-	-
Bureau of Water	-	-	-	-	-
Water Pollution Control	-	-	-	-	-
Utility Administrative Division	-	-	-	-	-
Total	<u>\$ 47,978</u>	<u>\$ 9,734</u>	<u>\$ 4,500</u>	<u>\$ 1,218</u>	<u>\$ 300</u>

	Transfers In				Total
	Bureau of Water Enterprise Fund	Water Pollution Control Enterprise Fund	Utility Administrative Division	Nonmajor Governmental Funds	
Transfers Out:					
General Fund	\$ -	\$ -	\$ -	\$ 2,464	\$ 60,402
General Capital Improvement	-	-	-	150	4,942
Nonmajor Governmental Funds	-	-	-	-	1,000
Bureau of Water	-	-	1,465	-	1,465
Water Pollution Control	-	-	1,465	-	1,465
Utility Administrative Division	120	120	-	-	240
Total	<u>\$ 120</u>	<u>\$ 120</u>	<u>\$ 2,930</u>	<u>\$ 2,614</u>	<u>\$ 69,514</u>

Transfers from the General Fund to the Debt Service Fund are in accordance with budgetary appropriations authorizing the transfer of funds for designated purposes. Transfers from the General Fund to the General Capital Improvement Fund are designed to locally fund portions of capital activities to reduce future bonding requirements. Transfers from the General Fund to the Educational Grants Fund are designed to locally fund portions of educational activities in accordance with associated grant agreements. Transfers from the General Fund to the Housing and Development Programs Fund are designed to assist with neighborhood revitalization projects. Transfers from the General Fund to Nonmajor Governmental Funds are for various purposes, dependent upon the nature of the fund to which the transfer is made.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 421,364	\$ -	\$ 29,072	\$ 392,292	\$ 29,064
Add Unamortized Premiums	20,425	-	2,453	17,972	-
Total Bonds Payable	441,789	-	31,525	410,264	29,064
Notes Payable	506	-	337	169	169
Accrued Compensated Absences	30,919	7,804	6,184	32,539	6,508
Retired Employee Obligations	3,162	290	1,198	2,254	936
Lease Liability	1,392	-	343	1,049	333
Subscription Based Information					
Technology Arrangement Liability	2,565	-	991	1,574	1,030
Total OPEB Liability *	930,644	-	29,033	901,611	47,757
Landfill Post-Closure	490	-	70	420	70
Pollution Remediation	4,142	-	1,180	2,962	-
Risk Management **	42,919	126,360	126,748	42,531	18,278
Net Pension Liability *	280,254	-	16,115	264,139	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,738,782</u>	<u>\$ 134,454</u>	<u>\$ 213,724</u>	<u>\$ 1,659,512</u>	<u>\$ 104,145</u>

* The beginning balances were restated due to a change in estimation methodology.

** The risk management claims accounted for in the Internal Service Funds are reported in the long-term liabilities as part of the above totals for governmental activities. All governmental long-term liabilities are generally liquidated by the General Fund.

A schedule of governmental activities bonds outstanding at June 30, 2024 is presented below:

Description	Date of Issue	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024
General Purpose Bonds Payable:				
Waterbury Industrial Commons	12/05/13	1.2-4.6	\$ 10,000	\$ 1,000
Waterbury Industrial Commons	12/02/15	1.2-4.6	7,000	1,000
Capital Acquisition & Infrastructure Improvements	12/02/15	3.0-5.0	13,000	11,450
Refunding Bond 11/28/2017 on 2009 Bonds	11/28/17	3.0-5.0	9,332	3,565
Capital Acquisition & Infrastructure Improvements	11/28/17	3.0-5.0	43,000	34,810
Refunding Bond 2/11/2020 on 2010 Bonds	02/11/20	4.0	24,480	16,745
Refunding Bond 2/11/2020 on (2011, 2012 & 2013) Bonds	02/11/20	1.7-2.7	24,185	18,677
Capital Acquisition & Infrastructure Improvements	02/11/20	4.0-5.0	50,000	42,000
Capital Acquisition & Infrastructure Improvements	06/15/22	5.0	28,000	26,135
Total General Purpose				155,382
School Bonds Payable:				
School Construction	12/02/15	3.0-5.0	10,000	8,800
Refunding Bond - 11/28/2017 on 2009 Bonds	11/28/17	3.0-5.0	4,433	2,270
School Construction	11/28/17	3.0-5.0	5,000	3,980
Refunding Bond 2/11/2020 on (2011, 2012 & 2013) Bonds	02/11/20	1.7-3.0	28,220	21,325
School Construction	06/15/22	5.0	22,000	20,535
Total School				56,910
Pension Deficit Bonds Payable:				
Pension Obligation	09/17/09	2.7-7.1	313,145	180,000
Total				<u>\$ 392,292</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
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NOTE 8 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Changes in Long-Term Liabilities (Continued)

A schedule of governmental activities bonds outstanding at June 30, 2024 is presented below:

<u>Due During Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 29,064	\$ 21,107	\$ 50,171
2026	28,529	19,572	48,101
2027	28,319	18,057	46,376
2028	28,392	16,538	44,930
2029	28,514	15,009	43,523
2030-2034	126,634	52,891	179,525
2035-2039	95,855	20,408	116,263
2040-2044	18,325	4,306	22,631
2045-2049	8,660	746	9,406
Total	<u>\$ 392,292</u>	<u>\$ 168,634</u>	<u>\$ 560,926</u>

Notes Payable

Notes payable consists of borrowings from a third party to purchase three (3) automated recycling trucks and single stream recycling carts to be used by the City's residents. The note does not bear interest and principal payments of \$84 are due quarterly through December 2024. Future maturities of notes payable are as follows:

	<u>Principal</u>
2025	<u>\$ 169</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 8 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Compensated Absences

Employees can accumulate unused vacation and sick leave (as determined by individual union contracts) until termination of their employment. At termination, pay-out provisions as determined by individual union contract provide for payments to vested employees net of provisions to exchange selected amounts of accumulated sick time for pension service years. The amount recorded represents 20% of the total accumulated time of employees to account for the estimated percentage of employees that will never vest and to account for those employees who have accrued days in excess of that, which will be paid by contract.

Retired Employee Obligations

Obligations to retired employees consist of amounts due to retired employees for unused compensated absences. The retired employee obligation at June 30, 2024 consisted of \$2,080 due to retired Board of Education employees and \$174 due to retired General Government employees. The obligation will be amortized over various years as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 936
2026	590
2027	361
2028	194
2029	113
2030-2032	60
Total	<u>\$ 2,254</u>

Landfill Post Closure Care Costs

The City received a consent order from the State of Connecticut Department of Environmental Protection requiring as of October 9, 1994 that its landfill can no longer accept any solid waste and that by October 31, 1996 the facility be capped. The City has closed and capped the landfill and is in the 23rd year of a 30-year required post closure monitoring period. GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires a liability related to closure and post closure care to be estimated and recorded based on landfill capacity used to date. The City has estimated \$420 for the post closure monitoring liability as of June 30, 2024. However, due to changes in technology, laws or regulations, these costs may change in the future.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 8 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Pollution Remediation

The City is obligated to demonstrate compliance with the financial assurance requirement for corrective action contained in Stewardship Permit No. DEP/HWM/CS-151-001 EPA ID CTD001164599 associated with the MacDermid Facility (the Facility) located on Huntington Avenue in Waterbury, Connecticut. All corrective action tasks approved in the remedial action plan have been completed including the installation of an engineered cap and ground water monitoring wells. The current cost estimate of \$2,962 includes costs for 24 years of engineered cap inspections and pavement replacement. The current cost estimate additionally includes costs for 24 years of site-wide groundwater monitoring and reporting. Funding for this obligation is currently provided for within the capital appropriation and bond authorization for the construction of the centralized Department of Public Works operations facility at the former MacDermid Facility. Funding in subsequent years will be provided through the City's annual operating budget.

Leases

The City leases equipment, vehicles and real estate for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2029.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 333	\$ 15
2026	285	10
2027	298	5
2028	99	1
2029	34	-
Total	<u>\$ 1,049</u>	<u>\$ 31</u>

Right-to-use lease assets acquired through outstanding leases are shown below, by underlying asset class.

Vehicles	\$ 294
Buildings	1,738
Less: Accumulated Amortization	(1,062)
Total	<u>\$ 970</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 8 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Subscription-Based Information Technology Arrangements

The City has entered into subscription-based-information technology arrangements (SBITAs) for educational software, public safety software and other software used in the operation of the City. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

Total future minimum payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,030	\$ 23
2026	480	4
2027	64	-
Total	<u>\$ 1,574</u>	<u>\$ 27</u>

SBITA assets acquired through outstanding contracts are shown below.

Subscription Based Information Technology Arrangements	\$ 4,690
Less: Accumulated Amortization	<u>(2,725)</u>
Total	<u>\$ 1,965</u>

Business-Type Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Bond Payable	\$ 17,211	\$ -	\$ 1,193	\$ 16,018	\$ 1,191
Add Unamortized Premiums	1,549	-	173	1,376	-
Total Bonds Payable	18,760	-	1,366	17,394	1,191
Serial Notes Payable - Direct Borrowing	16,768	-	841	15,927	858
Net Pension Liability *	12,049	-	738	11,311	-
Total OPEB Liability *	31,226	-	1,532	29,694	2,090
Accrued Compensated Absences	532	198	103	627	128
Total Business-Type Activities Long-Term Liabilities	<u>\$ 79,335</u>	<u>\$ 198</u>	<u>\$ 4,580</u>	<u>\$ 74,953</u>	<u>\$ 4,267</u>

* The beginning balances were restated due to a change in estimation methodology.

All business-type liabilities are generally liquidated by the Water and WPC user fees.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 8 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Changes in Long-Term Liabilities (Continued)

A schedule of business-type activities bonds and serial notes outstanding at June 30, 2024 is presented below:

Description	Date of Issue	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024
Business-Type Activities:				
Utility Administrative Division:				
Financial Management System	11/28/17	3.0-5.0	\$ 700	\$ 280
Bureau of Water:				
Infrastructure Improvements	11/28/17	3.0-5.0	1,300	910
Infrastructure Improvements	02/11/20	4.0-5.0	5,000	4,200
Refunding Bond 2/11/2020 on (2011 & 2012)				
Bonds	02/11/20	1.7-2.5	1,945	1,298
Serial Notes Payable - Direct Borrowing				
DWSRF #2017-7052	05/31/18	2.0	953	702
DWSRF#2019-7060	09/30/20	2.0	2,570	2,151
Water Pollution Control:				
Infrastructure Improvements	06/15/22	5.0	10,000	9,330
Serial Notes Payable - Direct Borrowing				
Clean Water Act	11/30/20	2.0	15,458	13,074
Total				<u>\$ 31,945</u>

A schedule of business-type activities bonds outstanding at June 30, 2024 is presented below:

Due During Fiscal Year Ending June 30.	Principal	Interest	Total
2025	\$ 1,191	\$ 721	\$ 1,912
2026	1,181	667	1,848
2027	1,181	613	1,794
2028	1,178	559	1,737
2029	1,101	507	1,608
2030-2034	5,066	1,790	6,856
2035-2039	3,920	652	4,572
2040-2044	1,000	160	1,160
2045-2049	200	8	208
Total	<u>\$ 16,018</u>	<u>\$ 5,677</u>	<u>\$ 21,695</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 8 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Clean and Drinking Water Fund Loans – Direct Borrowing

The City participates in the state of Connecticut's Clean and Drinking Water programs, which provide low-interest loans bearing 2% interest for eligible wastewater and 2% interest for eligible drinking water projects. Projects are financed by interim loan obligations until project completion, at which time interim loan obligations are replaced by permanent loan obligations.

A schedule of Clean and Drinking Water Fund Loans – direct borrowing outstanding at June 30, 2024 is presented below:

<u>Due During Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 858	\$ 311	\$ 1,169
2026	875	293	1,168
2027	893	276	1,169
2028	911	258	1,169
2029	929	239	1,168
2030-2034	4,935	908	5,843
2035-2039	5,389	390	5,779
2040-2044	1,137	13	1,150
Total	<u>\$ 15,927</u>	<u>\$ 2,688</u>	<u>\$ 18,615</u>

The state may terminate the obligation to make the Project Loan, with 60 days written notice, if the state determines that such termination is in the best interest of the state and the Municipality fails to perform its obligations under the agreement. After giving notice, the state has discretion not to terminate the Project Loan if the Municipality performs its obligations to the satisfaction of the state.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 8 LONG-TERM DEBT (CONTINUED)

Bonds Authorized/Unissued

Bonds authorized/unissued outstanding are as follows:

Project Description	Date Authorized	Total Authorized	Debt Issued	Grants Received	Authorized Unissued
General Purpose:					
Chase Municipal Building Rehabilitation	01/23/23	\$ 30,000	\$ -	\$ -	\$ 30,000
Demolition of Abandoned Properties	01/24/22	1,000	500	-	500
East Liberty Bridge Replacement	09/11/17	4,000	2,300	1,268	432
Waterbury Greenway Phase I**	09/11/17	9,500	2,000	5,257	2,243
Great Brook Culvert Replacement	11/25/13	3,100	-	-	3,100
Education:					
Roof Replacement - Generali Elementary School*	01/21/20	1,200	300	800	100
Elevators - Washington & Bunker Hill Elementary*	09/11/17	1,700		1,200	500
Elevators - Sprague, Chase, Kingsbury, & Hopeville*	08/22/16	3,500	1,150	2,287	63
Wendell Cross Elementary School Renovation & Addition*	06/20/16	46,250	11,750	28,304	6,196
West Side Middle School Roof Replacement*	10/20/14	3,040	600	1,026	1,414
Kennedy High School Additions & Alterations*	06/25/12	25,232	5,750	16,620	2,862
Wallace Middle School Addition*	06/20/11	15,758	3,950	10,582	1,226
Carrington Pre-k to 8 School*	05/20/13	37,043	10,050	26,525	468
Waterbury Career Academy Technical School*	06/09/08	68,190	16,700	47,956	3,534
School Facilities Plan*	06/25/04	101,500	28,000	71,032	2,468
Bureau of Water:					
Water Plant, Equipment System Renewal & Replacement	10/24/22	25,000	-	-	25,000
Water Plant, Equipment System Renewal & Replacement	05/11/15	17,700	9,323	853	7,524
Water Meter Reading Program	10/11/11	2,500	2,000	-	500
Water Pollution Control Authority:					
WPC Plant - Phosphorous Reduction Upgrade	04/09/18	40,000	21,458	15,504	3,038
WPC Plant, Equipment & Infrastructure Renewal & Replaceme	05/11/15	10,325	4,000	-	6,325
Total		<u>\$ 446,538</u>	<u>\$ 119,831</u>	<u>\$ 229,214</u>	<u>\$ 97,493</u>

* The City expects to receive approximately 78% of eligible project costs from the State in the form of progress payments.

** The City expects to receive approximately 80% of Greenway Phase I project costs reimbursed from State & Federal Grants.

CITY OF WATERBURY, CONNECTICUT
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NOTE 8 LONG-TERM DEBT (CONTINUED)

Debt Limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 574,094	\$ 161,349	\$ 412,745
Schools	1,148,189	69,045	1,079,144
Sewers	956,824	31,767	925,057
Urban Renewal	829,247	-	829,247
Pension Deficit	765,459	180,000	585,459

The total of the City's net statutory indebtedness of \$442,161 does not exceed the legal debt limitation of \$1,786,071 (seven times the base for debt limitation computation).

Bonds authorized and unissued represents bond authorizations for projects which have bond anticipation notes outstanding or for which bonds have been authorized and partially issued. In addition, authorized and unissued amounts have been reduced for grants received to date for applicable bond authorizations.

Pursuant to Public Act 97-11, an amount of \$6.2 million will be received from the State in the form of proportional progress payments for eligible construction costs during certain construction phases of the projects applicable to bonds authorized and unissued.

The net indebtedness excludes water bonds and Drinking Water State Revolving Fund notes payable totaling \$9,261, water bonds authorized and unissued of \$8,024, as well as \$280 in Utility Administrative Division bonds payable.

NOTE 9 RISK MANAGEMENT

The City is self-insured in most areas of risk. Self-insured risks include general and auto liability, workers' compensation, unemployment and employee health claims. The City's Legal Counsel defends the City in any lawsuits that arise from the normal course of operations.

The City purchases commercial insurance for excess coverage for general liability claims set at \$10 million with a City retention of \$1 million. Settlements over the last three years have not exceeded the insured coverage limits maintained by the City. The City purchases commercial insurance for excess coverage for workers' compensation claims with a City retention of \$1.5 million.

CITY OF WATERBURY, CONNECTICUT
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NOTE 9 RISK MANAGEMENT (CONTINUED)

The City provides self-insured medical plans for which payments are based upon actual claims (versus premium payments). A third party acts as a claims processor and a transfer of risk does not occur. All funds of the City participate in the program and make payments to the Self-Insurance Internal Service Fund to pay claims, claim reserves and administrative costs of the program. During the fiscal year ended June 30, 2024, \$111.1 million in health care benefits and administrative costs were paid. Incurred but not reported health claims of \$7.2 million have been accrued as a liability based upon information supplied by the City's Health Care Administrator. Actuarial estimated liability for claims incurred but not reported is not available.

An actuarial study estimates the present value of general liability outstanding losses including case reserves for known claims and incurred but not reported claims at \$3.2 million as of June 30, 2024.

An actuarial study estimates the present value of workers' compensation claims liabilities, including case reserves for known claims and incurred but not reported claims, at \$26.0 million as of June 30, 2024.

The present value of future costs to current eligible recipients subject to Heart and Hypertension benefits is estimated at \$6.2 million as of June 30, 2024. The actuarial estimate is based on the present value of seven times current year paid benefits.

Changes in the reserve amounts in fiscal years 2024 and 2023 were as follows:

	2024	2023
Beginning of Year	\$ 42,919	\$ 45,287
Fiscal Year Claims Incurred and Changes in Prior Years' Estimates	126,360	125,386
Fiscal Year Claims Payments	(126,748)	(127,754)
End of Year	<u>\$ 42,531</u>	<u>\$ 42,919</u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 10 FUND BALANCE

The components of fund balance at June 30, 2024 are as follows:

	General Fund	Debt Service	General Capital	Education Capital	Educational Grants	Housing and Development Programs	Nonmajor Governmental Funds	Total
Fund balances:								
Nonspendable:								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319	\$ 319
Trust	-	-	-	-	-	-	145	145
Restricted for:								
Expendable Trust	-	-	-	-	-	-	1,592	1,592
Library	-	-	-	-	-	-	2,894	2,894
Student Activities	-	-	-	-	-	-	570	570
Opioid Settlement	-	-	-	-	-	-	796	796
Capital Projects	-	-	3,800	-	-	-	-	3,800
DROP Plan	28	-	-	-	-	-	-	28
Committed to:								
Debt Service	-	7,500	-	-	-	-	-	7,500
Public Safety	-	-	-	-	-	-	407	407
Human Services	-	-	-	-	-	-	121	121
Culture and Recreation	-	-	-	-	-	-	1,049	1,049
Development and Community Affairs	-	-	-	-	-	912	-	912
General Government	-	-	-	-	-	-	1,036	1,036
Education	-	-	-	-	6,872	-	1,540	8,412
Capital Projects	-	-	13,337	-	-	-	-	13,337
Assigned to:								
Subsequent Budget	3,000	-	-	-	-	-	-	3,000
Capital Projects	-	-	45,019	-	-	-	-	45,019
Unassigned	26,329	-	-	(1,289)	-	-	-	25,040
Total Fund Balances	<u>\$ 29,357</u>	<u>\$ 7,500</u>	<u>\$ 62,156</u>	<u>\$ (1,289)</u>	<u>\$ 6,872</u>	<u>\$ 912</u>	<u>\$ 10,469</u>	<u>\$ 115,977</u>

Major encumbrances include the following:

Congestion Mitigation and Air Quality Improvements	\$ 5,017
Milling & Paving of Roads & Parking Lots	4,828
Downtown Underground Utility Improvements	4,519
Washington Park Pool Replacement & Pool House Renovation	4,147
Fulton Park Pool Replacement & Pool House Renovation	3,981
36 North Main Street - Odd Fellows Revdevelopment Project	3,949
School Roof Replacements	3,598
New Vehicles	3,083
Police Department Radios Hardware Refresh	2,081
Hamilton Park Pool & Pool House Replacement	1,779
Greenway Phase I	1,424
Highway Infrastructure Programs	1,400
US DOT RAISE Grant - West Main Street Improvements & Greenway Phase II	1,344
East Mountain Golf Course Clubhouse Renovation	1,150
Total	<u>\$ 42,300</u>

CITY OF WATERBURY, CONNECTICUT
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NOTE 11 TAX ABATEMENTS

As of June 30, 2024, the City provides tax abatements via Tax Assessment (Stabilization) Agreements. The City enters into Tax Assessment Agreements (Stabilization Agreements) which provide real property tax abatements for real property improvements pursuant to Connecticut General Statutes Section 12-65. The agreements are entered into by the City and are approved by the Board of Aldermen. The abatements are obtained pursuant to a contract between the City and the owner of the property. The agreements fix the assessment value prior to improvement and defer the increase in the assessed value attributable to the construction/renovation over a period of 7 to 15 years. Continuation of the agreement is conditioned upon continued compliance with the provisions of the agreement and is terminated upon sale or transfer of the property for any other purpose unless the City has consented thereto. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program. For the fiscal year ended June 30, 2024, taxes abated through this program total \$594.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

City OPEB Plan

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. Benefits are established and amended through negotiations between the City and the various unions representing City employees. The City pays the full cost of life insurance premiums. The percentage contribution of employees and retirees for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving benefits under the City's self-insured medical benefits program.

The postemployment benefit plan is a single employer defined benefit plan and is considered to be part of the City's financial reporting entity. Plan benefit payments are included in the City's medical benefits fund. There are no stand-alone financial statements available for the plan.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. OPEB Benefits Funding Policy

The City continues its commitment to meeting its obligations for medical benefits of both its active employees and benefit eligible retired employees, on a pay-as-you go basis, through the annual adoption of General Fund contributions to the City's Health Benefits internal service fund. In 2003, with an understanding of the long-term implications of the existing OPEB benefit program, the City, via the powers of the State Oversight Board at the time, modified collective bargaining agreements to significantly curtail the OPEB benefits for those employees hired after the contract modification date (2004 time frame). In addition, future retiree co-share requirements were established for those current employees grandfathered into the previous benefit program. The elimination and/or significant curtailment of post-employment medical coverage will begin to reduce the OPEB accrued liability and eventually, significantly reduce the compounded cost impact of funding medical coverage for both active employees and retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

The following is the current census of City benefit participants as of July 1, 2022:

	(Not in Thousands)
Active Employees	3,114
Retired Members and Dependents	2,444
Total	<u>5,558</u>

B. Total OPEB Liability

The City's total OPEB liability of \$ 931,305 (\$901,611 governmental activities and \$29,694 business-type activities) was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2024.

C. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.40%
Salary Increases	2.40%, average, including inflation
Discount Rate	3.93% (Prior: 3.65%)
Healthcare Cost Trend Rates	6.50% in 2022, decreasing 0.2% per year to an ultimate rate of 4.40% for 2033 and later years
Retirees' Share of Benefit-Related Costs	Varies based on union

The discount rate was based on the Bond Buyer GO 20-Bond Municipal Index.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Actuarial Assumptions and Other Inputs (Continued)

Mortality rates were based on Pub-2010 (B) Public Retirement Plans Below Median Amount Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021.

D. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances as of July 1, 2023	\$ 961,870
Changes for the Year:	
Service Cost	13,144
Interest on Total OPEB Liability	34,769
Difference Between Expected and Actual Experience	(1,072)
Changes in Assumptions or Other Inputs	(32,091)
Benefit Payments	<u>(45,315)</u>
Net Changes	<u>(30,565)</u>
Balances as of June 30, 2024	<u>\$ 931,305</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

E. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (2.93%)	Current Discount Rate (3.93%)	1% Increase in Discount Rate (4.93%)
Total OPEB Liability	\$ 1,054,755	\$ 931,305	\$ 829,952

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

F. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%)	1% Increase (7.50% Decreasing to 5.40%)
Total OPEB Liability	\$ 811,754	\$ 931,305	\$ 1,078,264

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$31,185. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,833	\$ (47,166)
Changes of Assumptions or Other Inputs	77,315	(152,139)
Total	<u>\$ 79,148</u>	<u>\$ (199,305)</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (9,870)
2026	(12,150)
2027	(35,182)
2028	(36,671)
2029	(20,086)
Thereafter	(6,198)
Total	<u>\$ (120,157)</u>

CITY OF WATERBURY, CONNECTICUT
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions (amounts not rounded)

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a TRB sponsored health care coverage option must wait two years to re-enroll.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

B. Benefit Provisions (amounts not rounded) (Continued)

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the State was \$562 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability	
Associated with the City	41,692
Total	<u><u>\$ 41,692</u></u>

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. At June 30, 2024, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the City recognized OPEB expense and revenue of \$(5,474) in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Costs Trend Rate:	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, including inflation
Investment Rate of Return	3.00%, net of OPEB plan investment expense, including inflation
Year Fund Net Position Will be Depleted	2028

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.53% to 3.64%.
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

F. Actuarial Assumptions (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

G. Discount Rate (Continued)

- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. Other Information

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

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

City of Waterbury Retirement System

A. Plan Description and Benefits Provided

The City is the administrator of the City of Waterbury Retirement System, a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its nonteacher employees. The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund and there are no stand-alone financial statements available for the plan.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Waterbury Retirement System (Continued)

A. Plan Description and Benefits Provided (Continued)

Management of the Waterbury Retirement System rests with the Retirement Board as required by §6C-10 of the Charter of the City. The powers and duties of the Retirement Board are codified in City of Waterbury ordinances, Chapter 35: Pension and Retirement System.

The Retirement Board consists of seven (7) members appointed by the Mayor. No more than one (1) member of the Board shall be a currently-employed, management employee of the Department of Finance of the City, who shall serve a two-year term. No more than one (1) member shall be a currently-employed, nonmanagement employee, who shall be appointed for a four (4) year term. No more than one (1) member shall be a member of the Board of Aldermen, who shall be appointed for a two (2) year term. The remaining four (4) members of the Retirement Board shall have professional or business experience in the in the areas of investments, finance, actuarial principles or retirement plan administration or similar qualifications.

Membership as of July 1, 2022 of the PERS consisted of the following:

	(Not in Thousands)
Active Employees	1,421
Terminated Vested Members	89
Vested in Employee Contributions Only	360
Retired, Disabled, and Beneficiaries	2,171
Total	<u>4,041</u>

Members are required to contribute to the Plan and the City is required to contribute the remaining amounts necessary to finance the employees coverage. Benefits and contributions are established by the City and may be amended only by the City Charter and Union negotiation. Benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed by the plan and used in determining the City's annual required contribution.

Refer to the PERS actuarial valuation report for summaries of specific plan provisions and actuarial assumptions and for eligibility and benefit exception provisions applicable to employees based on pre-existing hire dates and years of services. The following is a brief summary of current plan provisions:

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Waterbury Retirement System (Continued)

A. Plan Description and Benefits Provided (Continued)

	<u>Retirement Eligibility</u>	<u>Benefit</u>	<u>Employee Vesting</u>	<u>Contribution</u>
Police	25 Yrs. Or 15 Yrs. and Age 65	2%/Yr. Max. 70%	10 Yrs.	9.5% (10.5%, hired after 1/1/23)
Fire	25 Yrs. Or 15 Yrs. and Age 65	2%/Yr. Max. 70%	10 Yrs.	9.5% (10.5%, hired after 7/1/22)
Blue Collar	Earlier of 15 Yrs. and Age 65 25 Yrs. and Age 55	2%/Yr. Max. 70%	10 Yrs.	7.5% (8.5%, hired after 7/1/23)
White Collar	Earlier of 15 Yrs. and Age 65 25 Yrs. and Age 55	2%/Yr. Max. 70%	10 Yrs.	7.5% (8.5%, hired after 8/1/22)
Nurses	25 Yrs.	2%/Yr. Max. 70%	10 Yrs.	7.50%
WMAA	Earlier of 15 Yrs. and Age 65 25 Yrs. and Age 55	2%/Yr. Max. 70%	10 Yrs.	7.50%

B. Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they 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 plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

C. Funding Policy

Employees are required to contribute various percentages of their earnings to the PERS (See A above). If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions and interest are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees as determined by its actuaries; the current rate is 29.51% of annual covered payroll. Benefits and employee contributions are fixed by contract and may be amended subject to union negotiations.

CITY OF WATERBURY, CONNECTICUT
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Waterbury Retirement System (Continued)

C. Funding Policy (Continued)

Administrative costs of the Plan are financed through investment earnings.

Investments

The Retirement Board's policy in regard to the allocation of invested assets is to rely on the Plan's investment consultant to periodically present the results of a comprehensive asset allocation study on allocating assets between major asset classes in the capital markets. The asset allocation study assists the Retirement Board in determining a suitable strategic mix of asset classes in line with the Retirement Board's investment objectives, risk tolerance and investment time horizon. It is the policy of the Retirement Board to follow an investment strategy that balances risk with expected returns. Investments are made for the sole interest and exclusive purpose of providing returns for the Waterbury Retirement System (System). In addition to the statutory direction and restrictions, the System operates under the "Prudent Person" rule, used herein meaning that in investing the assets of the plan, the governing authorities of the systems, funds and plans shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion and intelligence exercises in the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income. The following is a representation of the Board's adopted asset allocation strategy as of June 2024.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
US Government Fixed Income	20.00 %	0.20 %	0.00 %
US Corporate Fixed Income - Investment Grade	10.00	1.60	0.10
US Corporate Fixed Income - High Yield	1.00	3.20	0.02
International Fixed Income	1.00	(0.40)	0.00
Emerging Markets Fixed Income	1.00	2.70	0.01
Alternate Fixed Income	8.00	1.70	0.13
US Large Cap Equity	17.00	5.40	0.85
US Mid Cap Equity	12.00	7.10	1.21
US Small Cap Equity	7.00	8.10	0.96
International Equity	5.00	5.80	0.87
Emerging Markets Equity	5.00	9.40	1.12
Alternate Equity	-	3.50	0.04
Real Estate	8.00	4.80	0.36
Cash	5.00	(2.00)	(0.06)
Total Portfolio	100.00 %		5.61
Long-Term Inflation Expectation			2.40
Long-Term Expected Nominal Return			8.01 %

* Long-term returns are provided by RBC Wealth Management Advisors. The returns are arithmetic means.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Waterbury Retirement System (Continued)

C. Funding Policy (Continued)

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2024 were as follows:

Total Pension Liability	\$ 691,073
Plan Fiduciary Net Position	415,623
Net Pension Liability	<u>\$ 275,450</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.14 %
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Actuarial Assumptions

The total pension liability was determined by an interim actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	Ranges from 0.00% to 3.50%, based on age, plus assumed inflation at all ages
Investment Rate of Return	7.80%

Mortality rates were based on the PUB-2010 (B) Public Retirement Plans Below Median Amount-Weighted Mortality Tables (with separate tables for General Employees and Public Safety), projected to the valuation date with Scale MP-2021.

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 are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the rates term rates shown above are geometric averages, the impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 7.80% was used.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Waterbury Retirement System (Continued)

D. Net Pension Liability of the City (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.80%. 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.

Changes in the Net Pension Liability

City of Waterbury Retirement System			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2023	\$ 684,105	\$ 391,802	\$ 292,303
Changes for the Year:			
Service Cost	8,673	-	8,673
Interest on Total Pension Liability	51,982	-	51,982
Employer Contributions	-	23,100	(23,100)
Member Contributions	-	7,243	(7,243)
Net Investment Income	-	47,165	(47,165)
Benefit Payments, Including Refund of Employee Contributions	(53,687)	(53,687)	-
Net Changes	6,968	23,821	(16,853)
Balances as of June 30, 2024	\$ 691,073	\$ 415,623	\$ 275,450

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.80%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease in Discount Rate (6.80%)	Current Discount Rate (7.80%)	1% Increase in Discount Rate (8.80%)
Net Pension Liability as of June 30, 2024	\$ 339,618	\$ 275,450	\$ 220,452

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

City of Waterbury Retirement System (Continued)

D. Net Pension Liability of the City (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$31,840. At June 30, 2024, the City reported deferred outflows of resources related to pension from the following sources:

	<u>City of Waterbury Retirement System</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 709	\$ -
Changes of Assumptions	-	(753)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	11,875	-
Total	<u>\$ 12,584</u>	<u>\$ (753)</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 2,609
2026	18,563
2027	(5,842)
2028	(3,499)
Total	<u>\$ 11,831</u>

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the State was \$41,292 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

At June 30, 2024, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	445,021
Total	<u>\$ 445,021</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the City recognized pension expense and revenue of \$1,316 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

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

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

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

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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

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

H. Pension Plan Fiduciary Net Position

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

I. Other Information

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

NOTE 14 CONTINGENT LIABILITIES

The City is contingently liable in connection with litigation involving general liability, automobile liability, professional liability, law enforcement liability, employment practice liability, and other related miscellaneous suits and unasserted claims. These claims are estimated to total \$3.2 million and the City has recorded a provision for these claims in the General Liability Internal Service Fund. The City is also contingently liable in connection with litigation involving contractual liability, tax appeals and environmental liability. There is no specific provision for these claims as the City currently does not expect probable losses. The City intends to vigorously defend these actions; however, there can be no assurance that the City will prevail.

NOTE 15 COMMITMENTS

The City entered into a Power Purchase Agreement (PPA) with a third party which requires the City to purchase 100% of the electricity output of a fuel cell power plant through the fiscal year 2037. The City estimates an annual savings of \$155 thousand and a total savings of over \$3.1 million over the 20-year term of the PPA. The City purchases the power at a rate that is 1.5 cents per kilowatt hour less than the rate the City is receiving from its traditional supplier. If the fuel cell power plant runs at maximum capacity, the City will be required to purchase approximately \$895 thousand in electricity output in fiscal year 2025.

CITY OF WATERBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 15 COMMITMENTS (CONTINUED)

The City has entered into a third-party operations, maintenance and management services agreement with CH2M Hill Engineers, Inc., a subsidiary of Jacobs Engineering Group, Inc., for its Water Pollution Control - Wastewater Collection and Treatment Systems. Jacobs Engineering Group is responsible to perform all services necessary for the proper and satisfactory operation and maintenance of the wastewater collection and treatment systems, full-service 24-hours-a-day, seven days a week. The term of the Agreement is for ten years, initiated in November 2018 and concluding in October 2028. The City will pay approximately \$6.7 million to Jacob's Engineering Group, Inc., in fiscal year 2025 for operating and maintenance services provided in accordance with the terms and conditions of the Agreement.

NOTE 16 RESTATEMENT

Change in Accounting Estimate

For the year ended June 30, 2024, the City changed its methodology for allocating the Net Pension and Total OPEB Liabilities to the Business-Type Activities as well as the Bureau of Water and Water Pollution Control Enterprise Funds. The City reviewed its methodology for making this allocation and believes the current estimation, which is prepared by the City's actuary, is more accurate. The change is being applied prospectively, beginning July 1, 2023. The effect of this accounting estimate change can be seen in the following tables:

	Governmental Activities Net Position	Business-Type Activities Net Position Fund Balance
Balance as Previously Reported June 30, 2023	\$ (875,002)	160,946
Adjustment:		
Net Pension Liability	1,842	(1,842)
Total OPEB Liability	8,720	(8,720)
Balance as restated July 1, 2023	<u>\$ (864,440)</u>	<u>\$ 150,384</u>
	Bureau of Water Enterprise Fund Net Position	Water Pollution Control Enterprise Fund Net Position
Balance as Previously Reported June 30, 2023	\$ 42,043	118,563
Adjustment:		
Net Pension Liability	(3,393)	1,551
Total OPEB Liability	(10,540)	1,820
Balance as Restated July 1, 2023	<u>\$ 28,110</u>	<u>\$ 121,934</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WATERBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Property Taxes:				
Current Property Taxes	\$ 250,142	\$ 250,142	\$ 242,566	\$ (7,576)
Prior Year Property Taxes	3,650	3,650	2,659	(991)
Supplemental Auto List	2,600	2,600	2,652	52
Interest and Penalties Prior Year	2,200	2,200	2,043	(157)
Interest and Penalties Current Year	1,100	1,100	1,358	258
Total Property Taxes	259,692	259,692	251,278	(8,414)
Intergovernmental:				
Exemptions for Elderly	20	20	16	(4)
Veterans Additional Exemption	100	100	62	(38)
Pequot - State	2,637	2,637	2,638	1
Pilot - State Owned Properties	9,388	9,388	9,951	563
Pilot - Housing Authority	25	25	-	(25)
Education Equalization	113,617	113,617	114,036	419
Nonpublic School Medical Services	185	185	343	158
Agency Placement	2,200	2,200	5,503	3,303
Special Education - Medicaid	650	650	1,041	391
Special Revenue - Federal Grants	25	25	47	22
Municipal Revenue Sharing	27,579	27,579	38,146	10,567
Special Revenue - State Grants	175	175	196	21
Total Intergovernmental	156,601	156,601	171,979	15,378
Investment Income:				
Income from Investments	950	950	2,093	1,143
Charges for Services:				
Probate Court Costs - Wolcott	30	30	26	(4)
Proceeds - Off Track Revenue	180	180	119	(61)
Deed Transfer and Recording Fees	353	353	384	31
Real Estate Conveyance Tax	1,060	1,060	2,320	1,260
Vital Statistics and Fees	388	388	379	(9)
Landlord Registrations	1	1	-	(1)
Dog Pound Fees and Licenses	17	17	11	(6)

**CITY OF WATERBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Charges for Services (Continued):				
Refuse Disposal Charge	\$ 175	\$ 175	\$ 44	\$ (131)
Sewer Permits	40	40	15	(25)
False Alarm Fines	40	40	22	(18)
Parking Violation Fees	375	375	254	(121)
Garage and Meters Parking Fees	750	750	520	(230)
Marriott Ramp Garage	5	5	-	(5)
Building Permits	800	800	1,177	377
Electrical Work Permits	245	245	911	666
Heating Etc. Permits	165	165	1,028	863
Plumbing Permits	100	100	161	61
Restaurant License Permits	145	145	108	(37)
Outside Tuition	450	450	749	299
Building Rental Fees	1,400	1,400	1,742	342
Departmental Charges	199	199	76	(123)
Other Permits, Licenses and Fees	621	621	506	(115)
Total Charges for Services	7,539	7,539	10,552	3,013
Reimbursements:				
Fringe Benefits	8,543	8,543	1,661	(6,882)
Bureau of Water	2,064	2,064	2,064	-
Waste Treatment	1,243	1,243	1,243	-
Utility Admin. Division	699	699	699	-
Total Reimbursements	12,549	12,549	5,667	(6,882)
Other:				
Telephone Access Lines	200	200	316	116
Miscellaneous Sources	284	284	595	311
Total Other	484	484	911	427
Total Revenues	\$ 437,815	\$ 437,815	442,480	\$ 4,665

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension on-behalf payment related to the
Connecticut State Teachers' Retirement System for Waterbury
teachers is not budgeted.

41,292

State of Connecticut OPEB on-behalf payment related to the
Connecticut State Teachers' Retirement System for Waterbury
teachers is not budgeted.

562

Other

116

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

\$ 484,450

CITY OF WATERBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General Government:				
Office of the Mayor	\$ 1,011	\$ 1,011	958	\$ 53
Board of Aldermen	64	64	62	2
Legal Department	2,606	2,606	2,484	122
City Clerk	276	276	248	28
Town Clerk	652	652	621	31
Department of Human Resources	1,284	1,284	1,232	52
Registrar of Voters	585	585	467	118
City Sheriff	20	20	19	1
Probate Court	182	182	123	59
Finance Department	2,254	2,254	2,238	16
Department of Assessment	882	882	730	152
Collector of Revenue	1,309	1,309	1,076	233
Department of Purchases	317	317	315	2
Department of Audit	185	185	141	44
Department of Budget Control	200	200	182	18
Department of Information Technology	2,364	2,364	2,306	58
Total General Government	14,191	14,191	13,202	989
Public Works:				
Public Works Administration	731	771	742	29
Engineering	1,916	1,696	1,373	323
Public Works Services	7,104	6,939	6,751	188
Public Works Operations	14,154	14,229	13,508	721
Total Public Works	23,905	23,635	22,374	1,261
Public Safety:				
Police Department	40,969	40,969	39,954	1,015
Fire Department	24,480	24,480	24,345	135
Total Public Safety	65,449	65,449	64,299	1,150
Planning and Development:				
Office of the City Plan	498	498	346	152
Department of Inspections	929	929	860	69
Total Planning And Development	1,427	1,427	1,206	221
Human Services:				
Department of Health	4,642	4,992	4,893	99
Education:				
Department of Education	157,875	156,611	156,353	258
Culture and Recreation:				
Silas Bronson Library	2,085	2,085	1,938	147

**CITY OF WATERBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NONGAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General Financial:				
Contractual Services	\$ 1,905	\$ 1,842	1,768	\$ 74
Employee Benefits	7,451	7,451	7,409	42
Health Benefits	72,000	72,000	72,000	-
Pension	23,172	23,172	23,145	27
Legal - General Liability	2,000	2,500	2,500	-
Heart and Hypertension	1,000	1,000	1,000	-
Workers' Compensation	7,000	7,000	7,000	-
Municipal Groups	2,860	2,601	2,601	-
Contingency	1,500	-	-	-
Total General Financial	118,888	117,566	117,423	143
Total Expenditures	388,462	385,956	381,688	4,268
Other Financing Uses:				
Transfers Out:				
Debt Service Fund	47,686	47,686	47,686	-
Special Revenue Programs	3,150	5,068	5,068	-
Capital Improvement	1,517	5,930	5,930	-
Total Other Financing Uses	52,353	58,684	58,684	-
Total	\$ 440,815	\$ 444,640	440,372	\$ 4,268

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut pension expense related to the Connecticut State Teachers' Retirement System for Waterbury teachers is not budgeted	41,292
State of Connecticut OPEB revenue related to the Connecticut State Teachers' Retirement System for Waterbury teachers is not budgeted	562
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV	\$ 482,226

CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 8,673	\$ 9,553	\$ 9,348	\$ 9,169	\$ 8,936	\$ 8,812	\$ 8,622	\$ 8,058	\$ 7,823	\$ 7,514
Interest	51,982	51,481	50,898	50,980	50,311	50,223	49,515	48,847	48,242	47,744
Differences Between Expected and Actual Experience	-	1,543	-	(8,465)	-	5,508	-	(689)	-	325
Changes of Assumptions	-	(1,640)	-	7,198	-	(5,253)	-	15,399	-	2,657
Benefit Payments, Including Refunds of Member Contributions	(53,687)	(53,579)	(52,406)	(51,264)	(50,774)	(49,946)	(49,024)	(48,836)	(49,000)	(48,892)
Net Change in Total Pension Liability	6,968	7,358	7,840	7,618	8,473	9,344	9,113	22,779	7,065	9,348
Total Pension Liability - Beginning	684,105	676,747	668,907	661,289	652,816	643,472	634,359	611,580	604,515	595,167
Total Pension Liability - Ending	691,073	684,105	676,747	668,907	661,289	652,816	643,472	634,359	611,580	604,515
Plan Fiduciary Net Position:										
Contributions - Employer	23,100	23,546	22,515	21,829	21,096	20,235	17,742	17,509	17,003	16,649
Contributions - Member	7,243	6,742	6,908	6,504	6,576	6,551	6,739	6,962	6,476	6,301
Net Investment Income (Loss)	47,165	40,073	(85,301)	110,135	2,974	32,140	31,829	34,437	(152)	8,837
Benefit Payments, Including Refunds of Member Contributions	(53,687)	(53,579)	(52,406)	(51,264)	(50,774)	(49,946)	(49,024)	(48,836)	(49,000)	(48,892)
Net Change in Plan Fiduciary Net Position	23,821	16,782	(108,284)	87,204	(20,128)	8,980	7,286	10,072	(25,673)	(17,105)
Plan Fiduciary Net Position - Beginning	391,802	375,020	483,304	396,100	416,228	407,248	399,962	389,890	415,563	432,668
Plan Fiduciary Net Position - Ending	415,623	391,802	375,020	483,304	396,100	416,228	407,248	399,962	389,890	415,563
Net Pension Liability - Ending	<u>\$ 275,450</u>	<u>\$ 292,303</u>	<u>\$ 301,727</u>	<u>\$ 185,603</u>	<u>\$ 265,189</u>	<u>\$ 236,588</u>	<u>\$ 236,224</u>	<u>\$ 234,397</u>	<u>\$ 221,690</u>	<u>\$ 188,952</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	60.14 %	57.27 %	72.25 %	72.25 %	59.90 %	63.76 %	63.29 %	63.05 %	63.75 %	72.70 %
Covered Payroll	\$ 78,275	\$ 76,440	\$ 81,088	\$ 79,033	\$ 80,729	\$ 78,683	\$ 77,767	\$ 75,502	\$ 78,534	\$ 76,246
Net Pension Liability as a Percentage of Covered Payroll	351.90 %	382.39 %	372.10 %	234.84 %	328.49 %	300.68 %	303.76 %	310.45 %	282.29 %	247.82 %

**CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Employer Contribution (ADEC)	\$ 23,100	\$ 23,546	\$ 22,515	\$ 21,829	\$ 21,096	\$ 20,235	\$ 17,742	\$ 17,418	\$ 17,003	\$ 16,649
Contributions in Relation to the ADEC	23,100	23,546	22,515	21,829	21,096	20,235	17,742	17,509	17,003	16,649
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 78,275	\$ 76,440	\$ 81,088	\$ 79,033	\$ 80,729	\$ 78,683	\$ 77,767	\$ 75,502	\$ 78,534	\$ 76,246
Contributions as a Percentage of Covered Payroll	29.51 %	30.80 %	27.77 %	27.62 %	26.13 %	25.72 %	22.81 %	23.19 %	21.65 %	21.84 %

Notes to Schedule:

Valuation Date: July 1, 2022
Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	16 years, closed
Asset Valuation Method	Asset smoothing
Inflation	2.40%
Salary Increases	Ranges from 0.00% to 3.50%, based on age, plus assumed inflation at all ages
Investment Rate of Return	7.80%
Retirement Age - Police	Officers with 10 years of service on 6/30/05, 20 years of service or age 55. All others, 25 years of service or age 65 and 15 years of service
Retirement Age - Fire	Later of 25 years of service as a full-time Firefighter, or age 65 and 15 years of service
Retirement Age - Blue collar	Earlier of either (1) Age 65 and 15 years of service, (2) If 10 years of service on 11/16/05, 25 years of service regardless of age, or (3) if not vested by 11/16/05, age 55 and 25 years of service
Retirement Age - White Collar	Earlier of either (1) if 10 years of service on 4/11/06, the later of 25 years of service, (2) Age 65 and 15 years of service, or (3) Age 55 and 25 years of service
Retirement Age - Nurses	25 years of service, regardless of age
Retirement Age - WMAA	Earlier of either (1) if hired prior to 12/22/05, 25 years of service, or if hired prior to 3/11/00 (2) Age 65 and 15 years of service, or (3) Age 55 and 25 years of service
Mortality	PUB-2010 (B) Public Retirement Plans Below Median Amount-Weighted Mortality Tables (with separate tables for General Employees and Public Safety), projected to the valuation date with Scale MP-2021.

CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.03 %	10.68 %	(17.67)%	27.79 %	0.72 %	7.92 %	8.02 %	8.90 %	(0.04)%	2.06 %

CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
City's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	445,021	502,509	407,780	514,868	483,768	373,013	394,405	416,100	313,535	289,800
Total	\$ 445,021	\$ 502,509	\$ 407,780	\$ 514,868	\$ 483,768	\$ 373,013	\$ 394,405	\$ 416,100	\$ 313,535	\$ 289,800
City's Covered Payroll	\$ 59,564	\$ 59,426	\$ 59,426	\$ 64,830	\$ 70,888	\$ 79,491	\$ 82,613	\$ 80,564	\$ 78,115	\$ 80,599
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.39 %	54.06 %	60.77 %	49.24 %	52.00 %	57.69 %	55.93 %	52.26 %	59.50 %	61.51 %

Notes to Schedule:

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	27.8 years
Asset Valuation Method	4-year smoothed fair value
Inflation	2.50%
Salary Increase	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, net of investment-related expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	\$ 13,144	\$ 17,228	\$ 24,658	\$ 28,369	\$ 18,964	\$ 18,022	\$ 18,993
Interest	34,769	33,592	24,843	26,855	34,781	36,422	34,479
Differences Between Expected and Actual Experience	(1,072)	(3,359)	2,930	(85,194)	(1,644)	(17,581)	1,441
Changes of Assumptions and Other Inputs	(32,091)	4,773	(203,013)	8,514	200,542	51,139	(36,692)
Benefit Payments	<u>(45,315)</u>	<u>(43,758)</u>	<u>(42,846)</u>	<u>(36,849)</u>	<u>(38,569)</u>	<u>(39,756)</u>	<u>(38,689)</u>
Net Change in Total OPEB Liability	(30,565)	8,476	(193,428)	(58,305)	214,074	48,246	(20,468)
Total OPEB Liability - Beginning	<u>961,870</u>	<u>953,394</u>	<u>1,146,822</u>	<u>1,205,127</u>	<u>991,053</u>	<u>942,807</u>	<u>963,275</u>
Total OPEB Liability - Ending	<u><u>\$ 931,305</u></u>	<u><u>\$ 961,870</u></u>	<u><u>\$ 953,394</u></u>	<u><u>\$ 1,146,822</u></u>	<u><u>\$ 1,205,127</u></u>	<u><u>\$ 991,053</u></u>	<u><u>\$ 942,807</u></u>
Covered-Employee Payroll	\$ 211,111	\$ 206,163	\$ 209,494	\$ 204,584	\$ 206,819	\$ 201,578	\$ 194,159
Total OPEB Liability as a Percentage of Covered-Employee Payroll	441.14 %	466.56 %	455.09 %	560.56 %	582.70 %	491.65 %	485.59 %

Notes to Schedule:

Changes of Assumptions

The discount rate was increased from 3.65% in 2023 to 3.93% in 2024.

Note - There are no assets accumulated in a trust to pay benefits for the OPEB plan.

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

CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	41,692	44,008	44,427	76,793	75,446	74,568	101,515
Total	<u>\$ 41,692</u>	<u>\$ 44,008</u>	<u>\$ 44,427</u>	<u>\$ 76,793</u>	<u>\$ 75,446</u>	<u>\$ 74,568</u>	<u>\$ 101,515</u>
City's Covered Payroll	\$ 59,564	\$ 61,359	\$ 59,426	\$ 64,830	\$ 70,888	\$ 79,491	\$ 82,613
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.92 %	9.46 %	6.11 %	2.50 %	2.08 %	1.49 %	1.79 %

Notes to Schedule:

Changes in Benefit Terms
Changes of Assumptions

There were no changes to benefit terms since the prior Measurement Date

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023;

Actuarial cost method

Entry Age

Amortization method

Level percent of payroll over an open period

Remaining amortization period

30 years

Asset valuation method

Fair value of assets

Investment rate of return

3.00%, net of investment-related expense including price inflation

Price inflation

2.50%

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is the principal fund of the City and is used to account for all activities of the City not included in other specific funds. The General Fund accounts for the normal recurring activities of the City (i.e., police, fire, education, recreation, public works, general government, etc.). These activities are funded principally by property taxes levied on individuals and businesses, and grants from other governmental units.

CITY OF WATERBURY, CONNECTICUT
BALANCE SHEET
GENERAL FUND
JUNE 30, 2024
(IN THOUSANDS)

ASSETS

Cash and Cash Equivalents	\$ 17,802
Investments	40,948
Receivables:	
Property Taxes Receivable, Net of an Allowance of \$12,103	4,230
Property Taxes Accrued Interest Receivable, Net of an Allowance of \$3,152	647
Accounts Receivable, Net of an Allowance of \$2,451	1,617
Lease Receivable	7,046
Due from Other Funds	<u>12,914</u>
 Total Assets	 <u><u>\$ 85,204</u></u>

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES**

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 42,563
Total Liabilities	<u>42,563</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenue - Property Taxes	4,519
Unavailable Revenue - Other Receivable	1,550
Leases	7,024
Advance Property Tax Collections	191
Total Deferred Inflows of Resources	<u>13,284</u>

FUND BALANCES

Unreserved:	
Restricted	28
Assigned	3,000
Unassigned	<u>26,329</u>
Total Fund Balances	<u><u>29,357</u></u>

Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 85,204</u></u>
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**CITY OF WATERBURY, CONNECTICUT
REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

Grand List Year	Combined Uncollected Taxes July 1, 2023	Lawful Corrections		Transfers to Suspense	Discounts Awarded	Adjusted Taxes Collectible	Principal Tax Collections	Tax Refunds	Interest, Liens and Warrants	Total Collections	Uncollected Taxes June 30, 2024 *
		Additions	Deductions								
2022	\$ 270,743	\$ 1,277	\$ 5,163	\$ 5,299	\$ 479	\$ 261,079	\$ 248,923	\$ (384)	\$ 1,141	\$ 249,680	\$ 12,540
2021	3,481	867	663	486	-	3,199	2,354	(255)	397	2,496	1,100
2020	1,127	186	555	673	-	85	358	(164)	124	318	(109)
2019	294	-	437	-	-	(143)	123	(232)	74	(35)	(34)
2018	259	-	320	-	-	(61)	82	(218)	72	(64)	75
2017	241	14	293	-	-	(38)	95	(185)	128	38	52
2016	141	-	78	-	-	63	51	-	78	129	12
2015	104	-	78	-	-	26	28	-	68	96	(2)
2014	62	-	2	-	-	60	-	-	-	-	60
2013	98	-	4	-	-	94	-	-	-	-	94
2012	90	-	3	-	-	87	-	-	-	-	87
2011	55	-	11	-	-	44	-	-	-	-	44
2010	67	-	10	-	-	57	-	-	-	-	57
2009	61	-	6	-	-	55	-	-	-	-	55
2008	34	-	34	-	-	-	-	-	-	-	-
Total	<u>\$ 276,857</u>	<u>\$ 2,344</u>	<u>\$ 7,657</u>	<u>\$ 6,458</u>	<u>\$ 479</u>	<u>\$ 264,607</u>	<u>\$ 252,014</u>	<u>\$ (1,438)</u>	<u>\$ 2,082</u>	252,658	<u>\$ 14,031</u>
Principal Suspense Collections										3,747	
Interest Suspense Collections										1,455	
Decrease in Overpayment Liability										(1,801)	
Overpayment Liability Reserve										(4,000)	
Less: Collection Agency Fees										<u>(603)</u>	
Subtotal										251,456	
Property Taxes Receivable Considered Available:											
June 30, 2023										(536)	
June 30, 2024										<u>358</u>	
Total										<u>\$ 251,278</u>	

* Represents total receivable of \$16,333 net of \$2,302 representing overpayment balances recorded as a liability in the General Fund.

Note: Per Section 1B-2 of the City Charter, all property taxes becoming due and payable in the City, exclusive of special taxes, assessments, and water charges and sewer charges, shall be subject to a discount of one (1%) percent of the total amount, if claimed by the taxpayer at the time of making payment and if the entire tax is paid in one payment within the first installment collection period.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established in the City of Waterbury pursuant to State Statutes or local ordinances and resolutions. The criteria for the creation of a Special Revenue Fund are generally the desire or need to conspicuously segregate revenues, which are to be utilized for special and specific purposes, or expenditures incurred for the performance of specific activities, or both.

Fund	Funding Source	Function
Public Safety Grants and Programs	State and federal grants and charges for services	Public safety activities and police services - private duty
Health Grants and Programs	State and federal grants and charges for services	General public assistance programs
Recreational Programs	Charges for services	Recreation Department programs and municipal golf courses
Miscellaneous Grants and Programs	Various	Miscellaneous activities
Special Projects	General Fund transfers	Nonrecurring special purpose projects
Food Service	Sale of food and grants	School lunch and breakfast programs
Silas Bronson Library	Charges for services, contributions and grants	City library operations
Expendable Trust Funds	Trust and investment income	Various specified purposes and activities
Student Activities	Donations and charges for services	Collection and payment of expenses for education extra-curricular activities

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**CITY OF WATERBURY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(IN THOUSANDS)**

	Special Revenue										Permanent Trust Funds	Total Nonmajor Governmental Funds
	Public Safety Grants and Programs	Health Grants and Programs	Recreational Programs	Miscellaneous Grants and Programs	Special Projects	Food Service	Silas Bronson Library	Expendable Trust Funds	Student Activities	Total		
ASSETS												
Cash and Cash Equivalents	\$ 176	\$ 1,296	\$ 1,199	\$ 975	\$ 102	\$ -	\$ 54	\$ 1,631	\$ 570	\$ 6,003	\$ 145	\$ 6,148
Investments	-	-	-	-	-	-	2,841	-	-	2,841	-	2,841
Intergovernmental Receivables	240	612	-	115	-	1,979	-	-	-	2,946	-	2,946
Accounts Receivable, Net	1,273	-	121	-	-	-	-	-	-	1,394	-	1,394
Inventory	-	-	-	-	-	319	-	-	-	319	-	319
Total Assets	<u>\$ 1,689</u>	<u>\$ 1,908</u>	<u>\$ 1,320</u>	<u>\$ 1,090</u>	<u>\$ 102</u>	<u>\$ 2,298</u>	<u>\$ 2,895</u>	<u>\$ 1,631</u>	<u>\$ 570</u>	<u>\$ 13,503</u>	<u>\$ 145</u>	<u>\$ 13,648</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES												
Liabilities:												
Accounts Payable and Accrued Liabilities	\$ 231	\$ 227	\$ 185	\$ 34	\$ 1	\$ 114	\$ 1	\$ 39	\$ -	\$ 832	\$ -	\$ 832
Due to Other Funds	-	-	-	-	-	325	-	-	-	325	-	325
Unearned Revenue	-	764	-	-	-	-	-	-	-	764	-	764
Total Liabilities	<u>231</u>	<u>991</u>	<u>185</u>	<u>34</u>	<u>1</u>	<u>439</u>	<u>1</u>	<u>39</u>	<u>-</u>	<u>1,921</u>	<u>-</u>	<u>1,921</u>
Deferred Inflows of Resources:												
Unavailable Revenue - Other Receivables	1,051	-	-	121	-	-	-	-	-	1,172	-	1,172
Leases	-	-	86	-	-	-	-	-	-	86	-	86
Total Deferred Inflows of Resources	<u>1,051</u>	<u>-</u>	<u>86</u>	<u>121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258</u>	<u>-</u>	<u>1,258</u>
Fund Balances:												
Nonspendable	-	-	-	-	-	319	-	-	-	319	145	464
Restricted	-	796	-	-	-	-	2,894	1,592	570	5,852	-	5,852
Committed	407	121	1,049	935	101	1,540	-	-	-	4,153	-	4,153
Total Fund Balances	<u>407</u>	<u>917</u>	<u>1,049</u>	<u>935</u>	<u>101</u>	<u>1,859</u>	<u>2,894</u>	<u>1,592</u>	<u>570</u>	<u>10,324</u>	<u>145</u>	<u>10,469</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,689</u>	<u>\$ 1,908</u>	<u>\$ 1,320</u>	<u>\$ 1,090</u>	<u>\$ 102</u>	<u>\$ 2,298</u>	<u>\$ 2,895</u>	<u>\$ 1,631</u>	<u>\$ 570</u>	<u>\$ 13,503</u>	<u>\$ 145</u>	<u>\$ 13,648</u>

CITY OF WATERBURY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Special Revenue										Total Nonmajor Governmental Funds	
	Public Safety Grants and Programs	Health Grants and Programs	Recreational Programs	Miscellaneous Grants and Programs	Special Projects	Food Service	Silas Bronson Library	Expendable Trust Funds	Student Activities	Total	Permanent Trust Funds	
REVENUES												
Intergovernmental	\$ 879	\$ 5,380	\$ 35	\$ 28	\$ -	\$ 13,511	\$ 2	\$ -	\$ -	\$ 19,835	\$ -	\$ 19,835
Investment Income	-	-	36	-	-	-	349	202	-	587	7	594
Charges for Services	3,530	-	2,062	40	-	31	21	-	-	5,684	-	5,684
Other	11	114	180	8	-	1	18	62	942	1,336	-	1,336
Total Revenues	4,420	5,494	2,313	76	-	13,543	390	264	942	27,442	7	27,449
EXPENDITURES												
Current:												
General Government	-	-	-	2,093	136	-	-	-	-	2,229	-	2,229
Public Works	-	-	-	7	-	-	-	-	-	7	-	7
Public Safety	4,780	-	-	-	-	-	-	-	-	4,780	-	4,780
Human Services	-	4,998	-	247	-	-	-	68	-	5,313	-	5,313
Education	-	-	-	-	-	14,028	-	40	936	15,004	-	15,004
Culture and Recreation	-	-	2,211	7	-	-	135	168	-	2,521	-	2,521
Total Expenditures	4,780	4,998	2,211	2,354	136	14,028	135	276	936	29,854	-	29,854
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(360)	496	102	(2,278)	(136)	(485)	255	(12)	6	(2,412)	7	(2,405)
OTHER FINANCING SOURCES (USES)												
Transfers In	150	-	50	2,059	105	-	-	250	-	2,614	-	2,614
Transfers Out	(492)	-	(508)	-	-	-	-	-	-	(1,000)	-	(1,000)
Total Other Financing Sources (Uses)	(342)	-	(458)	2,059	105	-	-	250	-	1,614	-	1,614
NET CHANGE IN FUND BALANCES	(702)	496	(356)	(219)	(31)	(485)	255	238	6	(798)	7	(791)
Fund Balances - July 1, 2023	1,109	421	1,405	1,154	132	2,344	2,639	1,354	564	11,122	138	11,260
FUND BALANCES - JUNE 30, 2024	\$ 407	\$ 917	\$ 1,049	\$ 935	\$ 101	\$ 1,859	\$ 2,894	\$ 1,592	\$ 570	\$ 10,324	\$ 145	\$ 10,469

**CITY OF WATERBURY, CONNECTICUT
GENERAL CAPITAL IMPROVEMENT FUND
SCHEDULE OF CHANGES IN PROJECT FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Accounting Unit	Fund Balance July 1, 2023	Capital Grants	Investment Income	Other Income/ Expense	Capital Outlay Expenditures	External Transfers In (Out)	Fund Balance June 30, 2024
Capital Projects and Programs:								
WIC & DPW Consolidated Facility	60000	\$ 258	\$ -	\$ -	\$ -	\$ 163	\$ -	\$ 95
Naugatuck River Greenway	60005	(66)	1	-	-	39	-	(104)
Train Station Improvements	60006	-	(72)	-	-	61	-	(133)
Infrastructure Improvements Brass Mills	60010	152	-	-	-	35	-	117
US EPA Assessment Project	60013	-	36	-	-	-	-	36
Blight Property Demolition	60014	1	-	-	-	-	-	1
Roads and Sidewalk Improvement	60018	32	-	2	-	8	-	26
Great Brook Culvert	60028	(238)	-	-	-	66	-	(304)
Road Improvements	60031	145	-	-	-	9	-	136
FY20 Milling and Paving	60032	1,409	-	63	-	490	-	982
Transit-Oriented Development	60034	21	-	-	-	-	-	21
Water/Tiger Transportation Improvement	60035	108	-	-	-	-	-	108
Greenway Phase I	60036	456	87	11	-	(78)	-	632
US DOT Raise	60037	-	1,626	-	-	1,626	-	-
Assessment Project-170 Freight	60038	-	116	-	-	116	-	-
Brass City Food Hub	60039	80	137	-	-	172	-	45
Waterbury Next	60040	36	-	-	-	-	(36)	-
East Main Street - Streetscape	60042	414	-	-	-	-	-	414
Phase I 698 S. Main	60043	1	-	-	-	-	(1)	-
Prospect St. Parking	60044	219	-	-	-	-	(219)	-
Demolition - Blight Property	60045	218	-	-	-	155	-	63
DECD Demo 130 Freight St.	60046	-	72	-	-	71	-	1
FY 22 Demolition	60047	296	-	17	-	431	-	(118)
American Rescue Plan Act	60050	-	19,450	-	-	19,450	-	-
American Rescue Plan Act-County	60051	-	16,050	-	-	16,050	-	-
US EPA Brownfields	60055	-	13	-	-	13	-	-
DECD Odd Fellows	60056	-	6,041	-	-	6,041	-	-
DECD Redevelopment Phase III	60057	-	4,470	-	-	4,470	-	-
Library PK Renovation	60073	33	-	-	-	-	-	33
Library Elevator CSL Grant	60074	-	182	-	-	182	-	-
Traffic Signals	60075	(8)	-	-	-	-	-	(8)
E. Liberty Bridge	60078	186	-	-	-	-	-	186
CMAQ Downtown System Upgrade	60079	(1)	(8)	-	-	24	-	(33)
Safe Route to School	60081	(70)	-	-	-	-	-	(70)
West Main Street Sidewalks	60082	79	-	-	-	79	-	-
CMAQ Traffic Signal Upgrade	60084	-	2	-	-	2	-	-
Town Aid Road	60085	3,004	1,107	-	-	618	-	3,493
Environmental Fee	60091	-	150	-	-	104	216	262
Local Capital Improvement Program	60106	7	2,266	-	-	2,267	-	6
Municipal Revenue Sharing	60107	12,028	4,435	-	-	5,927	-	10,536
Distressed Munis-Industrial Incentive Program	60108	133	90	-	-	-	-	223
LOCIP Grant	60109	-	2,093	-	-	-	-	2,093
Chase Building Rehabilitation-Misc	60119	(3)	-	-	-	-	-	(3)
Elevators City Building	60121	1,363	-	77	-	314	-	1,126
Police Headquarters Improvements	60152	32	-	-	-	-	-	32
PM Radios	60156	46	-	21	-	25	-	42
Capital Budget	60180	29,960	31	3,439	3,141	7,502	1,578	30,647
Vehicle Replacement Fund	60185	8,226	-	454	98	1,895	2,550	9,433
Town Clerk - Public Act	60221	200	-	-	29	-	-	229
Technology HRIS/Payroll Project	60226	308	-	-	-	288	750	770
Assistance to Firefighters - Equipment	60250 - 60256	(8)	25	-	3	22	-	(2)
Fire Engine 7	60257	(1)	-	-	-	-	-	(1)
Fire Stations	60258	1,111	-	62	-	143	-	1,030
AFG EMS Equipment	60259	3	18	-	-	20	-	1
AFG Fire Officer Training	60260	4	38	-	-	21	-	21
AFG Fire on Scene Emergency Management	60261	2	12	-	-	28	-	(14)
EMS Personal Protective Equipment	60262	-	-	-	-	-	27	27
Municipal Stadium Grandstand	61019	75	-	-	-	-	(73)	2
Fulton Ponds CPAP 2016	61022	(1)	28	-	-	28	-	(1)
Fulton Park Pool & Pool House	61024	-	581	-	-	581	-	-
Mill St. Park CUAP 2019	61042	-	6	-	-	6	-	-
Mill Street Park	61042	1	-	-	-	-	-	1
Golf Equipment	61055	168	-	-	-	91	-	77
Total		<u>\$ 60,419</u>	<u>\$ 59,083</u>	<u>\$ 4,146</u>	<u>\$ 3,271</u>	<u>\$ 69,555</u>	<u>\$ 4,792</u>	<u>\$ 62,156</u>

**CITY OF WATERBURY, CONNECTICUT
EDUCATION CAPITAL IMPROVEMENT FUND
SCHEDULE OF CHANGES IN PROJECT FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Accounting Unit	Fund Balance July 1, 2023	Capital Grants	Investment Income	Capital Outlay Expenditures	External Transfers In (Out)	Fund Balance June 30, 2024
Capital Projects and Programs:							
Carrington Elementary School	65002	\$ (43)	\$ 455	\$ -	\$ -	\$ -	\$ 412
Waterbury Career Academy	65003	(3,519)	1,506	-	-	-	(2,013)
Wallace Middle School	65004	(2,148)	2,225	-	-	-	77
Code Combination	65005	(2,372)	2,372	-	-	-	-
Kennedy High School Additions & Alterations	65006	(486)	404	-	-	-	(82)
West Side Roof	65011	(120)	48	-	-	-	(72)
Elevators (Sprague, Chase, Kingsbury, Hopeville)	65013	(1)	-	1	-	-	-
Elevators (Bunker Hill, Washington)	65014	(552)	1,662	-	1,805	-	(695)
Wendell Cross School	65016	(5,640)	-	-	494	-	(6,134)
Generali Roof	65017	(802)	821	-	-	-	19
Tinker School Roof	65018	322	16	-	278	-	60
Sprague School Roof	65019	456	17	-	672	-	(199)
Kennedy High School Roof	65021	1,207	26	-	2,277	-	(1,044)
Crosby High School Roof	65022	-	-	-	-	1,500	1,500
VRF HVAC Systems - 8 Schools	65031	4,306	360	-	380	-	4,286
VRF HVAC Systems - 6 Schools	65032	-	-	-	-	3,000	3,000
School Building Maintenance Program	65035	19	-	-	6	-	13
New Elementary School #1 - Duggan	65051	(277)	-	-	-	-	(277)
New Elementary School #2 - Reed	65052	(10,676)	10,611	-	-	-	(65)
New Elementary School #3 - Gilmartin	65053	(75)	-	-	-	-	(75)
Total		<u>\$ (20,401)</u>	<u>\$ 20,523</u>	<u>\$ 1</u>	<u>\$ 5,912</u>	<u>\$ 4,500</u>	<u>\$ (1,289)</u>

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

Health Benefits - A fund to account for the receipt of General Fund, employee and retiree contributions to pay health insurance claims and to purchase administrative services for the City's health care plans.

General Liability - To account for the receipt of General Fund contributions to fund general and auto liability claims.

Workers' Compensation - Accounts for the receipt of General Fund contributions to fund incurred Workers' Compensation claims.

Heart and Hypertension - To account for the receipt of General Fund contributions to fund heart and hypertension claims and settlements.

CITY OF WATERBURY, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

	Health Benefits	General Liability	Workers' Compensation	Heart and Hypertension	Total
ASSETS					
Cash and Cash Equivalents	\$ 16,268	\$ 500	\$ 3,287	\$ 186	\$ 20,241
Investments	29,501	3,770	36,146	8,594	78,011
Receivables - Other	968	-	-	-	968
Prepaid Expenses	258	-	-	-	258
Total Assets	46,995	4,270	39,433	8,780	99,478
LIABILITIES					
Current:					
Accounts Payable	19	115	52	-	186
Due to Other Funds	-	759	-	135	894
Risk Management Claim Liabilities:					
Current	7,172	958	8,689	1,459	18,278
Noncurrent	-	2,234	17,318	4,701	24,253
Total Liabilities	7,191	4,066	26,059	6,295	43,611
NET POSITION					
Unrestricted	\$ 39,804	\$ 204	\$ 13,374	\$ 2,485	\$ 55,867

CITY OF WATERBURY, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Health Benefits	General Liability	Workers' Compensation	Heart and Hypertension	Total
OPERATING REVENUES					
Employer Premiums	\$ 83,064	\$ 4,782	\$ 7,149	\$ 1,000	\$ 95,995
Charges for Services	16,937	-	-	-	16,937
Other	18,976	-	122	-	19,098
Total Operating Revenues	118,977	4,782	7,271	1,000	132,030
OPERATING EXPENSES					
Benefits, Claims, and Administration:					
Paid	111,139	5,994	7,900	1,327	126,360
Claims Incurred Reported/Unreported	606	(521)	(45)	(428)	(388)
Total Operating Expenses	111,745	5,473	7,855	899	125,972
OPERATING INCOME (LOSS)	7,232	(691)	(584)	101	6,058
NONOPERATING INCOME					
Investment Income	4,646	465	3,909	837	9,857
CHANGE IN NET POSITION	11,878	(226)	3,325	938	15,915
Total Net Position - July 1, 2023	27,926	430	10,049	1,547	39,952
TOTAL NET POSITION - JUNE 30, 2024	<u>\$ 39,804</u>	<u>\$ 204</u>	<u>\$ 13,374</u>	<u>\$ 2,485</u>	<u>\$ 55,867</u>

CITY OF WATERBURY, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Health Benefits	General Liability	Workers' Compensation	Heart and Hypertension	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Employer Premiums	\$ 83,064	\$ 4,782	\$ 7,149	\$ 1,000	\$ 95,995
Cash Received from Users and Other	35,891	-	122	-	36,013
Cash Paid to Suppliers and Other	(111,187)	(7,161)	(7,899)	(1,552)	(127,799)
Net Cash Provided (Used) by Operating Activities	7,768	(2,379)	(628)	(552)	4,209
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	2,814	199	1,565	356	4,934
Purchases of Investments	(3,154)	(193)	(1,293)	(347)	(4,987)
Sales of Investments	-	2,020	311	589	2,920
Net Cash Provided (Used) by Investing Activities	(340)	2,026	583	598	2,867
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,428	(353)	(45)	46	7,076
Cash and Cash Equivalents - July 1, 2023	8,840	853	3,332	140	13,165
CASH AND CASH EQUIVALENTS - JUNE 30, 2024	<u>\$ 16,268</u>	<u>\$ 500</u>	<u>\$ 3,287</u>	<u>\$ 186</u>	<u>\$ 20,241</u>
RECONCILIATIONS OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 7,232	\$ (691)	\$ (584)	\$ 101	\$ 6,058
Changes in Assets and Liabilities:					
Increase (Decrease) in Receivables	(22)	-	-	-	(22)
Increase (Decrease) in Prepaid Expenses	(16)	-	-	-	(16)
Increase (Decrease) in Due to/from Other Funds	-	(1,212)	-	(225)	(1,437)
Increase (Decrease) in Accounts Payable	(32)	45	1	-	14
Increase (Decrease) in Risk Management Claim Liabilities	606	(521)	(45)	(428)	(388)
Total Adjustments	536	(1,688)	(44)	(653)	(1,849)
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,768</u>	<u>\$ (2,379)</u>	<u>\$ (628)</u>	<u>\$ (552)</u>	<u>\$ 4,209</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Increase in Value of Investments	<u>\$ 1,832</u>	<u>\$ 266</u>	<u>\$ 2,344</u>	<u>\$ 481</u>	<u>\$ 4,923</u>

SUPPLEMENTARY DATA

CITY OF WATERBURY, CONNECTICUT
SCHEDULE OF CHANGES IN BONDS AND SERIAL NOTES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

Description	Date of Issue	Date of Maturity	Interest Rates (%)	Amount of Original Issue	Balance Outstanding June 30, 2023	Issued	Retired	Balance Outstanding June 30, 2024
Governmental Activities:								
General Purpose:								
Waterbury Industrial Commons	12/05/13	12/01/24	1.2-4.6	\$ 10,000	\$ 2,000	\$ -	\$ 1,000	\$ 1,000
Waterbury Industrial Commons	12/02/15	08/01/24	1.2-4.6	7,000	2,000	-	1,000	1,000
Capital Acquisition & Infrastructure Improvements	12/02/15	08/01/35	3.0-5.0	13,000	11,945	-	495	11,450
Refunding Bond 11/28/2017 on 2009 Bonds	11/28/17	09/01/29	3.0-5.0	9,332	4,540	-	975	3,565
Capital Acquisition & Infrastructure Improvements	11/28/17	11/15/47	3.0-5.0	43,000	36,175	-	1,365	34,810
Refunding Bond 2/11/2020 on 2010 Bonds	02/11/20	09/01/30	4.0	24,480	19,095	-	2,350	16,745
Refunding Bond 2/11/2020 on (2011, 2012 & 2013) Bonds	02/11/20	09/01/33	1.7-2.7	24,185	20,278	-	1,601	18,677
Capital Acquisition & Infrastructure Improvements	02/11/20	02/01/45	4.0-5.0	50,000	44,000	-	2,000	42,000
Capital Acquisition & Infrastructure Improvements	06/15/22	08/01/37	5.0	28,000	28,000	-	1,865	26,135
Total					168,033	-	12,651	155,382
Schools:								
School Construction	12/02/15	08/01/35	3.0-5.0	10,000	9,180	-	380	8,800
Refunding Bond 11/28/2017 on 2009 Bonds	11/28/17	09/01/29	3.0-5.0	4,433	2,660	-	390	2,270
School Construction	11/28/17	11/15/47	3.0-5.0	5,000	4,150	-	170	3,980
Refunding Bond 2/11/2020 on (2011, 2012 & 2013) Bonds	02/11/20	09/01/37	1.7-3.0	28,220	23,341	-	2,016	21,325
School Construction	06/15/22	08/01/37	5.0	22,000	22,000	-	1,465	20,535
Total					61,331	-	4,421	56,910
Pension Deficit:								
Pension Obligation Bonds	09/17/09	12/01/38	2.7-7.1	313,145	192,000	-	12,000	180,000
Total General Government Bond Indebtedness					421,364	-	29,072	392,292
Business-Type Activities:								
Utility Administrative Division:								
Financial Management System	11/28/17	11/15/27	3.0-5.0	700	350	-	70	280
Bureau of Water:								
Infrastructure Improvements	11/28/17	11/15/37	3.0-5.0	1,300	975	-	65	910
Refunding Bond 2/11/2020 on (2011 & 2012) Bonds	02/11/20	09/01/30	1.7-2.5	1,945	1,486	-	188	1,298
Infrastructure Improvements	02/11/20	02/01/45	4.0-5.0	5,000	4,400	-	200	4,200
DWSRF#2017-7052**	05/31/18	05/31/38	2.0	953	745	-	43	702
DWSRF#2019-7060**	09/30/20	03/31/40	2.0	2,570	2,266	-	115	2,151
Total					9,872	-	611	9,261
Bureau of Waste Water Treatment:								
Infrastructure Improvements	06/15/22	08/01/37	5.0	10,000	10,000	-	670	9,330
Clean Water Act*	11/30/20	07/31/40	2.0	15,458	13,757	-	683	13,074
Total					23,757	-	1,353	22,404
Total Business-Type Bond and Serial Note Indebtedness					33,979	-	2,034	31,945
Total Bond and Serial Notes Indebtedness - Primary Government					\$ 455,343	\$ -	\$ 31,106	\$ 424,237

* State of Connecticut serial notes payable - Clean Water Act

** State of Connecticut serial note payable - Drinking Water Special Revolving Fund

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

TABLE 1

CITY OF WATERBURY, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 559,761	\$ 483,316	\$ 474,602	\$ 500,062	\$ 468,330	\$ 512,206	\$ 497,446	\$ 494,918	\$ 487,171	\$ 494,650
Restricted	5,997	5,075	5,023	5,017	3,483	3,168	3,141	2,667	2,588	2,422
Unrestricted	(1,297,193)	(1,363,393)	(1,357,616)	(1,410,886)	(1,406,414)	(1,436,292)	(1,401,570)	(783,540)	(737,738)	(720,389)
Total Governmental Activities Net Position	(731,435)	(875,002)	(877,991)	(905,807)	(934,601)	(920,918)	(900,983)	(285,955)	(247,979)	(223,317)
Business-Type Activities:										
Net Investment in Capital Assets	169,683	160,498	162,052	164,723	166,521	176,515	146,980	146,384	144,101	141,909
Unrestricted	(15,139)	448	(2,834)	(2,078)	(2,791)	(20,130)	(13,513)	10,525	11,864	15,689
Total Business-Type Activities Net Position	154,544	160,946	159,218	162,645	163,730	156,385	133,467	156,909	155,965	157,598
Primary Government:										
Net Investment in Capital Assets	729,444	643,814	636,654	664,785	634,851	688,721	644,426	641,302	631,272	636,559
Restricted	5,997	5,075	5,023	5,017	3,483	3,168	3,141	2,667	2,588	2,422
Unrestricted (Deficit)	(1,312,332)	(1,362,945)	(1,360,450)	(1,412,964)	(1,409,205)	(1,456,422)	(1,415,083)	(773,015)	(725,874)	(704,700)
Total Primary Government Net Position	<u>\$ (576,891)</u>	<u>\$ (714,056)</u>	<u>\$ (718,773)</u>	<u>\$ (743,162)</u>	<u>\$ (770,871)</u>	<u>\$ (764,533)</u>	<u>\$ (767,516)</u>	<u>\$ (129,046)</u>	<u>\$ (92,014)</u>	<u>\$ (65,719)</u>

NOTES:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) 2015 Unrestricted (deficit) accounts for the elimination of a net pension asset of \$232,448 per GASB No. 27 and new recording of a net pension liability of \$188,952 per GASB No. 68.
- (3) 2018 Unrestricted (deficit) accounts for new recording of a total OPEB liability of \$942,807 per GASB No. 75.

TABLE 2

**CITY OF WATERBURY, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
Governmental Activities:										
General Government	\$ 135,013	\$ 131,773	\$ 131,855	\$ 113,468	\$ 121,429	\$ 121,886	\$ 118,011	\$ 122,985	\$ 129,249	\$ 128,749
Public Works	54,470	37,760	42,255	35,622	35,206	29,545	27,182	30,799	28,854	27,721
Public Safety	68,394	76,719	68,380	70,054	81,827	75,737	67,997	74,219	62,895	60,538
Development And Community Affairs	4,441	4,910	4,401	1,825	3,319	3,613	3,590	3,187	4,399	4,118
Human Services	10,124	17,064	16,056	14,482	11,486	7,076	8,149	7,516	7,312	6,714
Education	351,192	407,275	303,713	368,057	333,025	284,937	311,400	314,213	284,774	272,121
Culture and Recreation	7,087	5,140	6,065	6,470	6,272	6,085	5,380	5,938	8,061	6,115
Interest on Long-Term Debt	20,229	22,159	20,737	21,628	23,482	25,273	25,762	26,154	26,437	26,430
Total Governmental Activities Expenses	650,950	702,800	593,462	631,606	616,046	554,152	567,471	585,011	551,981	532,506
Business-Type Activities:										
Bureau of Water	15,719	11,818	14,728	12,528	11,368	12,677	11,666	12,071	13,219	12,944
Water Pollution Treatment	18,852	22,899	22,149	18,991	18,305	15,124	15,777	16,363	16,892	15,747
Utility Administrative Division	2,683	2,513	2,568	2,606	2,450	2,155	2,431	2,367	2,294	2,170
Total Business-Type Activities Expenses	37,254	37,230	39,445	34,125	32,123	29,956	29,874	30,801	32,405	30,861
Total Expenses	688,204	740,030	632,907	665,731	648,169	584,108	597,345	615,812	584,386	563,367
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	4,932	3,931	6,182	5,944	4,886	3,292	3,257	3,013	2,597	2,344
Public Works	272	384	512	480	429	380	391	457	1,457	425
Public Safety	5,053	4,384	4,247	4,380	4,476	4,466	4,038	4,126	3,920	4,109
Development and Community Affairs	3,470	2,649	1,756	1,885	1,452	1,636	1,536	2,110	1,881	1,313
Human Services	659	606	170	147	173	172	190	171	208	176
Education	99	31	239	165	316	452	472	545	368	418
Culture and Recreation	2,092	2,228	1,894	1,872	1,600	1,328	1,520	1,511	1,609	1,503
Operating Grants and Contributions	357,519	351,150	278,233	327,443	270,988	230,314	255,696	250,803	239,201	229,515
Capital Grants and Contributions	83,282	30,385	45,302	21,731	25,700	4,348	22,345	8,867	16,870	23,957
Total Governmental Activities Program Revenues	457,378	395,748	338,535	364,047	310,020	246,388	289,445	271,603	268,111	263,760
Business-Type Activities:										
Charges for Services:										
Bureau of Water	15,385	14,301	13,330	13,081	12,577	12,926	12,794	13,064	11,896	12,380
Waste Treatment	24,144	23,444	20,847	20,582	19,609	20,279	17,515	17,233	17,485	17,086
Capital Grants and Contributions			1,331	-	6,598	18,676	791	654	690	1,005
Total Business-Type Activities Program Revenues	39,529	37,745	35,508	33,663	38,784	51,881	31,100	30,951	30,071	30,471
Total Program Revenues	496,907	433,493	374,043	397,710	348,804	298,269	320,545	302,554	298,182	294,231

**TABLE 2
(CONTINUED)**

**CITY OF WATERBURY, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (193,572)	\$ (307,052)	\$ (254,927)	\$ (267,559)	\$ (306,026)	\$ (307,764)	\$ (307,764)	\$ (278,026)	\$ (313,408)	\$ (283,870)
Business-Type Activities	2,275	515	(3,937)	(462)	6,661	21,925	21,925	1,226	150	(2,334)
Total Net Cost of Services	(191,297)	(306,537)	(258,864)	(268,021)	(299,365)	(285,839)	(285,839)	(276,800)	(313,258)	(286,204)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	251,390	255,012	259,410	258,655	256,256	252,622	242,715	236,448	238,060	236,121
Grants and Contributions Not Restricted to Specific Programs	54,780	41,142	29,226	26,438	26,461	26,837	29,436	34,095	17,730	18,610
Unrestricted Investment Earnings	17,524	12,098	(7,703)	8,441	6,204	4,344	3,004	3,348	2,118	1,878
Other General Revenues	2,883	1,789	1,810	1,150	3,422	4,026	2,176	1,541	1,300	1,237
Transfers In	-	-	-	1,100	-	-	-	-	-	-
Total Governmental Activities	326,577	310,041	282,743	295,784	292,343	287,829	277,331	275,432	259,208	257,846
Business-Type Activities:										
Unrestricted Investment Earnings	1,885	1,213	14	7	119	175	118	53	35	26
Other General Revenues	-	-	496	470	565	818	906	741	666	579
Transfers Out	-	-	-	(1,100)	-	-	-	-	-	-
Total Business-Type Activities	1,885	1,213	510	(623)	684	993	1,024	794	701	605
Total General Revenues and Other Changes In Net Position	328,462	311,254	283,253	295,161	293,027	288,822	278,355	276,226	259,909	258,451
CHANGES IN NET POSITION										
Governmental Activities	133,005	2,989	27,816	28,225	(13,683)	(19,935)	(30,433)	(2,594)	(54,200)	(26,024)
Business-Type Activities	4,160	1,728	(3,427)	(1,085)	7,345	22,918	22,949	2,020	851	(1,729)
Total	\$ 137,165	\$ 4,717	\$ 24,389	\$ 27,140	\$ (6,338)	\$ 2,983	\$ (7,484)	\$ (574)	\$ (53,349)	\$ (27,753)

Notes:

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

TABLE 3

CITY OF WATERBURY, CONNECTICUT
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Restricted	\$ 28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Unassigned	26,329	24,133	23,091	22,045	21,042	20,584	20,425	20,090	19,661	19,635
Total General Fund	<u>\$ 29,357</u>	<u>\$ 27,133</u>	<u>\$ 26,091</u>	<u>\$ 25,045</u>	<u>\$ 24,042</u>	<u>\$ 23,584</u>	<u>\$ 23,425</u>	<u>\$ 23,090</u>	<u>\$ 22,661</u>	<u>\$ 22,635</u>
All Other Governmental Funds:										
Nonspendable	\$ 464	\$ 705	\$ 1,156	\$ 794	\$ 968	\$ 634	\$ 733	\$ 252	\$ 319	\$ 314
Restricted	9,652	8,737	3,867	4,223	2,951	2,637	2,614	2,543	5,370	2,277
Committed	32,774	48,347	64,603	33,812	37,125	14,904	17,909	13,164	15,616	8,847
Assigned	45,019	31,561	18,448	15,937	46,102	22,343	15,555	62,252	18,800	30,970
Unassigned	(1,289)	(20,401)	(7,701)	(28,913)	(36,550)	(51,526)	(30,296)	(79,189)	(23,723)	(48,205)
Total All Other Governmental Funds	<u>\$ 86,620</u>	<u>\$ 68,949</u>	<u>\$ 80,373</u>	<u>\$ 25,853</u>	<u>\$ 50,596</u>	<u>\$ (11,008)</u>	<u>\$ 6,515</u>	<u>\$ (978)</u>	<u>\$ 16,382</u>	<u>\$ (5,797)</u>

Notes:

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

TABLE 4

CITY OF WATERBURY, CONNECTICUT
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Property Taxes	\$ 251,278	\$ 255,168	\$ 259,868	\$ 260,901	\$ 255,378	\$ 252,733	\$ 243,479	\$ 238,981	\$ 238,780	\$ 237,112
Intergovernmental	491,637	403,480	342,578	316,717	298,203	276,538	267,084	290,035	266,498	265,901
Investment Income	7,666	6,075	90	1,229	1,589	1,682	1,170	932	575	587
Charges For Services	16,236	15,473	15,187	13,937	13,466	12,343	11,754	12,207	11,574	10,981
Reimbursements	5,667	7,530	9,641	10,008	9,274	10,011	10,757	12,866	13,365	12,213
Other	6,158	3,576	3,137	3,679	6,118	7,135	4,553	3,188	5,901	3,682
Total Revenues	778,642	691,302	630,501	606,471	584,028	560,442	538,797	558,209	536,693	530,476
EXPENDITURES										
General Government	15,431	14,460	13,537	10,717	9,835	9,668	9,814	9,583	9,739	9,724
Public Works	22,044	19,907	19,402	19,140	18,132	18,392	17,853	17,218	17,066	17,982
Public Safety	69,079	64,506	61,470	59,996	57,873	56,588	54,278	52,476	49,384	49,747
Development And Community Affairs	4,902	4,847	5,339	5,142	4,039	3,535	3,468	4,099	4,511	5,223
Human Services	10,206	16,962	15,784	14,921	10,911	6,677	7,778	7,254	6,299	6,193
Education	387,672	368,246	305,092	292,897	278,801	282,485	268,348	285,044	262,132	252,255
Culture And Recreation	4,459	3,827	3,554	3,665	3,623	3,610	3,711	3,943	3,762	3,813
General Financial	117,423	114,200	116,057	116,298	116,236	117,824	112,428	117,842	110,549	110,280
Capital Outlay	75,467	46,173	38,940	58,114	32,463	27,241	60,076	28,996	37,248	49,408
Debt Service:										
Principal	29,409	26,076	27,569	26,412	26,039	25,522	24,088	22,104	21,398	20,193
Interest	22,655	23,184	23,096	24,578	23,810	26,264	26,319	26,581	25,796	26,468
Total Expenditures	758,747	702,388	629,840	631,880	581,762	577,806	588,161	575,140	547,884	551,286
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	19,895	(11,086)	661	(25,409)	2,266	(17,364)	(49,364)	(16,931)	(11,191)	(20,810)
OTHER FINANCING SOURCES (USES)										
Transfers In	66,344	72,659	64,287	71,284	61,748	51,143	50,640	51,677	49,542	49,596
Transfers Out	(66,344)	(72,659)	(64,287)	(70,184)	(61,748)	(51,143)	(50,640)	(51,677)	(49,542)	(49,596)
Bonds Issued	-	-	50,000	-	50,000	-	48,000	-	30,000	-
Bond Premium	-	-	4,905	-	13,262	-	8,391	-	3,396	-
Refunding Bonds Issued	-	-	-	-	76,885	-	13,765	-	-	-
Refunding Bonds - Payment to Refunding Bond Escrow Agent	-	-	-	-	(80,275)	-	(15,487)	-	-	-
Subscription-Based Information Technology Arrangements Entered	-	704	-	-	-	-	-	-	-	-
Issuance of Notes Payable	-	-	-	-	-	-	2,523	-	-	-
Total Other Financing Sources	-	704	54,905	1,100	59,872	-	57,192	-	33,396	-
NET CHANGE IN FUND BALANCES	19,895	(10,382)	55,566	(24,309)	62,138	(17,364)	7,828	(16,931)	22,205	(20,810)
Fund Balances - Beginning	96,082	106,464	50,898	75,207	13,069	29,940	22,112	39,043	16,838	37,648
FUND BALANCES - ENDING	\$ 115,977	\$ 96,082	\$ 106,464	\$ 50,898	\$ 75,207	\$ 12,576	\$ 29,940	\$ 22,112	\$ 39,043	\$ 16,838
Debt Service as a % of Noncapital Expenditures	7.8%	7.3%	8.4%	8.8%	9.1%	9.7%	9.1%	8.8%	9.1%	9.3%

Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
(2) Beginning fund balance restated in 2020 to account for GASB No. 84.

TABLE 5

CITY OF WATERBURY, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	Grand List	Real Property		Personal Property	Motor Vehicle	Gross Taxable Grand List	Less: Tax Exempt Property	Net Taxable Grand List	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	Total Direct Rate
		Residential & Apartments	Commercial, Utility & Industrial								
2024	2022	\$ 4,055,378	\$ 1,487,083	\$ 766,619	\$ 699,906	\$ 7,008,986	\$ 238,568	\$ 6,770,418	\$ 9,672,026	70	54.19
2023	2021	2,319,093	1,217,607	721,796	648,907	4,907,403	332,822	4,574,581	6,535,116	70	60.21
2022	2020	2,312,495	1,232,529	756,204	493,301	4,794,529	342,354	4,452,175	6,360,250	70	60.21
2021	2019	2,308,778	1,214,706	732,683	473,377	4,729,544	254,494	4,475,050	6,392,929	70	60.21
2020	2018	2,318,647	1,199,621	709,399	457,668	4,685,335	349,529	4,335,806	6,194,009	70	60.21
2019	2017	2,319,162	1,189,238	665,692	454,513	4,628,605	356,790	4,271,815	6,102,593	70	60.21
2018	2016	2,352,711	940,475	613,688	445,537	4,352,411	202,005	4,150,406	5,929,151	70	60.21
2017	2015	2,349,817	942,557	656,741	415,600	4,364,715	270,934	4,093,781	5,848,259	70	60.21
2016	2014	2,354,900	949,937	649,148	401,151	4,355,136	280,288	4,074,848	5,821,211	70	58.22
2015	2013	2,341,770	984,424	462,341	401,208	4,189,743	178,221	4,011,522	5,730,746	70	58.22

Source: City of Waterbury, Assessor's Office, M-13 Report

Notes:

- (1) 2022 & 2017 Real property grand lists are adjusted to reflect statutory revaluation
(2) Assessed Value is 70% of Estimated Actual Value

TABLE 6

**CITY OF WATERBURY, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
OCTOBER 1, 2022 AND OCTOBER 1, 2013
(IN THOUSANDS)
(UNAUDITED)**

Taxpayer	Nature of Business	October 1, 2022			October 1, 2013		
		Net Taxable Assessed Value	Rank	Percentage of Total City Net Taxable Assessed Value	Net Taxable Assessed Value	Rank	Percentage of Total City Net Taxable Assessed Value
Yankee Gas Company	Utility	\$ 218,435	1	3.23 %	\$ 92,030	1	2.29 %
MPT Of Waterbury PMH LLC	Hospital	149,598	2	2.21			
Conn. Light & Power Co.	Utility	124,057	3	1.83	83,149	3	2.07
Brass Mill Center Realty Holdings LLC	Retail	27,834	4	0.41	85,888	2	2.14
Prospect Waterbury Inc	Hospital (<i>Personal Property</i>)	26,072	5	0.39			
BH Premium Quality Waterbury LLC	Retail	25,748	6	0.38			
Brass Mill Commons Realty Holdings LLC	Retail	19,810	7	0.29			
Post University	Higher Education	18,795	8	0.28	13,786	7	0.34
Waterbury Reidville Drive LLC	Retail	16,616	9	0.25			
Waterbury MZL LLC	Retail	16,412	10	0.24			
Yankee Gas Services Company	Utility				45,579	4	1.14
Waterbury Generation, LLC	Power Generation				30,217	5	0.75
DDRTC Naugatuck Valley SC LLC	Retail				29,750	6	0.74
Brixmore GA Waterbury LLC	Retail				13,327	8	0.33
Waterbury VF LLC	Retail				13,242	9	0.33
Costco Wholesale Corp.	Big Box Retail				11,696	10	0.29
Total		<u>\$ 643,377</u>		<u>9.50 %</u>	<u>\$ 418,664</u>		<u>10.44 %</u>

Source: City of Waterbury Assessor's Office

During the last ten years real property grand list statutory revaluations were performed in 2017 and then in 2022 (fiscal year 2024).

TABLE 7

**CITY OF WATERBURY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ended June 30,	Grand List Year	Net Taxable Grand List	Mill Rate	Original Tax Levy	Current Adjusted Tax Levy	Collected Within the Fiscal Year of Levy		Tax Collections in Subsequent Years	Total Collections To Date	
						Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2024	2022	\$ 6,770,418	54.19	\$ 270,743	\$ 261,079	\$ 248,539	91.80 %	\$ -	\$ 248,539	95.20 %
2023	2021	4,574,581	60.21	260,158	255,165	251,966	96.85	2,099	254,065	99.57
2022	2020	4,452,175	60.21	263,975	257,032	256,112	97.02	1,029	257,141	100.04
2021	2019	4,475,050	60.21	264,769	252,392	252,015	95.18	411	252,426	100.01
2020	2018	4,335,806	60.21	256,956	250,139	248,284	96.63	1,780	250,064	99.97
2019	2017	4,271,815	60.21	252,797	247,704	246,060	97.34	1,592	247,652	99.98
2018	2016	4,150,406	60.21	241,203	240,183	237,668	98.53	2,503	240,171	100.00
2017	2015	4,093,781	60.21	239,100	235,124	232,992	97.45	2,134	235,126	100.00
2016	2014	4,074,848	58.22	240,019	234,459	232,813	97.00	1,586	234,399	99.97
2015	2013	4,011,522	58.22	234,864	230,487	228,808	97.42	1,585	230,393	99.96

Notes:

- (1) 2022 & 2017 Real property grand list is adjusted to reflect statutory revaluation.
(2) Collections on amounts transferred into suspense in the first year of levy and subsequent years are not included in reported collections.
(3) 2024 lower collections & collections rate are due to Waterbury Hospital's non-payment on real estate & personal property taxes.

TABLE 8

**CITY OF WATERBURY, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

Fiscal Year	Governmental Activities							Business-Type Activities					Ratio of Net Bonded Debt to Taxable Assessed Value	Total Debt Per Capita	Net Bonded Debt Per Capita	
	General Obligation Bonds			Unamortized Bond Premiums	Notes Payable	Leases	SBITAs	General Obligation Bonds Utility Admin. Division	General Obligation Bonds & DWSRF Notes Water Enterprise	General Obligation Bonds & CWF Notes Sewer Enterprise	Unamortized Bond Premiums	Leases				Total
	General Purpose	Schools	Pension Deficit													
2024	\$ 155,382	\$ 56,910	\$ 180,000	\$ 17,972	\$ 169	\$ 1,049	\$ 1,574	\$ 280	\$ 9,261	\$ 22,404	\$ 1,376	\$ -	\$ 446,377	5.79 %	\$ 3,902	\$ 3,429
2023	168,033	61,331	192,000	20,425	506	1,392	2,565	350	9,872	23,757	1,550	-	481,781	9.21	4,211	3,683
2022	178,801	64,303	204,000	22,824	843	1,732	2,750	420	10,482	24,735	1,685	-	512,575	10.04	4,480	3,908
2021	165,090	44,383	215,200	20,908	1,179	2,053	-	490	11,036	16,328	827	-	477,494	9.49	4,174	3,712
2020	179,001	46,384	225,700	23,140	1,515	-	-	560	8,986	2,287	891	-	488,464	10.40	4,426	4,087
2019	142,923	46,736	235,925	12,972	1,851	-	-	630	4,075	7,752	96	-	452,960	9.96	4,104	3,856
2018	155,726	49,756	245,625	13,891	2,187	-	-	700	4,328	13,107	192	-	485,512	10.87	4,399	4,087
2017	124,716	48,368	255,045	6,265	-	-	-	-	2,222	18,503	-	-	455,119	10.46	4,124	3,879
2016	134,777	51,511	263,945	6,815	-	-	-	-	2,356	23,813	-	672	483,889	11.05	4,384	4,079
2015	124,591	44,395	272,645	3,883	-	-	-	-	2,487	29,277	-	1,312	478,590	11.01	4,336	4,002

Note:

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The Total Personal Income and Per Capita Personal Income statistics are not available for the City of Waterbury.

CITY OF WATERBURY, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2024
(IN THOUSANDS)
(UNAUDITED)

Total Tax Collections (Including Interest and Penalties) \$ 255,151

State Reimbursement for:
Tax Relief for Elderly - Freeze
Total

2
\$ 255,153

Debt Limitation	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Factor Multiplied Times:					
2-1/4	\$ 574,094	\$ -	\$ -	\$ -	\$ -
4-1/2	-	1,148,189	-	-	-
3-3/4	-	-	956,824	-	-
3-1/4	-	-	-	829,247	-
3	-	-	-	-	765,459
Total Debt Limitation	574,094	1,148,189	956,824	829,247	765,459
Debt as Defined by Statute:					
Bonds Payable	155,382	56,910	9,330	-	180,000
Serial Notes Payable - Direct Borrowing	169	-	13,074	-	-
Leases Payable	1,049	-	-	-	-
SBITA Payable	1,574	-	-	-	-
Bonds Authorized and Unissued	3,175	18,331	9,363	-	-
School Building Grants	-	(6,196)	-	-	-
Total Indebtedness	161,349	69,045	31,767	-	180,000
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 412,745	\$ 1,079,144	\$ 925,057	\$ 829,247	\$ 585,459

NOTES:

- (1) In no event shall total debt exceed seven times annual receipts from taxation - \$1,786,071.
- (2) Bonds authorized and unissued represents bond authorizations for projects which have bond anticipation notes outstanding or for which bonds have been authorized and partially issued. In addition, authorized and unissued amounts have been reduced for grants received to date for applicable bond authorizations.
- (3) Pursuant to Public Act 97-11, an estimated amount of \$6,196 will be received from the State in the form of proportional progress payments for eligible construction costs during certain construction phases of the projects applicable to bonds authorized and unissued.
- (4) Excludes Water Enterprise bonds payable & DWSRF notes payable of \$9,261 & Water Enterprise bonds authorized and unissued of \$8,024. Excludes Utility Administrative Division bonds payable of \$280.

TABLE 10

**CITY OF WATERBURY, CONNECTICUT
OUTSTANDING BOND AUTHORIZATIONS
(IN THOUSANDS)
(UNAUDITED)**

Project Description	Date Authorized	Total Authorized	Debt Issued	Grants Received	Authorized Unissued	Total Estimated Project Grant Reimbursement
General Purpose:						
Chase Municipal Building Rehabilitation	01/23/23	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -
Demolition of Abandoned Properties	01/24/22	1,000	500	-	500	-
East Liberty Bridge Replacement	09/11/17	4,000	2,300	1,268	432	1,300
Waterbury Greenway Phase I**	09/11/17	9,500	2,000	5,257	2,243	7,600
Great Brook Culvert Replacement	11/25/13	3,100	-	-	3,100	-
Education:						
Roof Replacement - Generali Elementary School*	01/21/20	1,200	300	800	100	900
Elevators - Washington & Bunker Hill Elementary*	09/11/17	1,700	-	1,200	500	1,342
Elevators - Sprague, Chase, Kingsbury, & Hopeville*	08/22/16	3,500	1,150	2,287	63	2,350
Wendell Cross Elementary School Renovation & Addition*	06/20/16	46,250	11,750	28,304	6,196	34,500
West Side Middle School Roof Replacement*	10/20/14	3,040	600	1,026	1,414	2,440
Kennedy High School Additions & Alterations*	06/25/12	25,232	5,750	16,620	2,862	19,482
Wallace Middle School Addition*	06/20/11	15,758	3,950	10,582	1,226	11,808
Carrington Pre-k to 8 School*	05/20/13	37,043	10,050	26,525	468	26,993
Waterbury Career Academy Technical School*	06/09/08	68,190	16,700	47,956	3,534	51,490
School Facilities Plan*	06/25/04	101,500	28,000	71,032	2,468	73,500
Bureau of Water:						
Water Plant, Equipment System Renewal & Replacement	10/24/22	25,000	-	-	25,000	-
Water Plant, Equipment System Renewal & Replacement	05/11/15	17,700	9,323	853	7,524	853
Water Meter Reading Program	10/11/11	2,500	2,000	-	500	-
Water Pollution Control Authority:						
WPC Plant - Phosphorous Reduction Upgrade	04/09/18	40,000	21,458	15,504	3,038	15,504
WPC Plant, Equipment & Infrastructure Renewal & Replacement	05/11/15	10,325	4,000	-	6,325	-
Total		<u>\$ 446,538</u>	<u>\$ 119,831</u>	<u>\$ 229,214</u>	<u>\$ 97,493</u>	<u>\$ 250,062</u>

* The City expects to receive approximately 78% of eligible project costs from the State in the form of progress payments.

** The City expects to receive approximately 80% of Greenway Phase I project costs reimbursed from State & Federal Grants.

TABLE 11

CITY OF WATERBURY, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION AND CONTINUING DISCLOSURE RATIOS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 1,786,071	\$ 1,818,901	\$ 1,828,813	\$ 1,784,461	\$ 1,769,747	\$ 1,704,745	\$ 1,673,203	\$ 1,674,316	\$ 1,658,629	\$ 1,596,084
Total Net Debt Applicable to Limit	442,161	471,689	494,608	460,013	475,670	506,396	537,177	508,467	513,319	518,781
Legal Debt Margin	<u>\$ 1,343,910</u>	<u>\$ 1,347,212</u>	<u>\$ 1,334,205</u>	<u>\$ 1,324,448</u>	<u>\$ 1,294,077</u>	<u>\$ 1,198,349</u>	<u>\$ 1,136,026</u>	<u>\$ 1,165,849</u>	<u>\$ 1,145,310</u>	<u>\$ 1,077,303</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>24.76%</u>	<u>25.93%</u>	<u>27.05%</u>	<u>25.78%</u>	<u>26.88%</u>	<u>29.71%</u>	<u>32.10%</u>	<u>30.37%</u>	<u>30.95%</u>	<u>32.50%</u>
Calculation of Continuing Disclosure Agreement Ratios:										
Total Indebtedness Per Legal Debt Limit Calculation	\$ 442,161	\$ 471,689	\$ 494,608	\$ 460,013	\$ 475,670	\$ 506,396	\$ 537,177	\$ 508,467	\$ 513,319	\$ 518,781
Less Authorized and Unissued Debt	<u>(24,673)</u>	<u>(26,062)</u>	<u>(21,296)</u>	<u>(17,833)</u>	<u>(20,783)</u>	<u>(71,209)</u>	<u>(72,963)</u>	<u>(61,835)</u>	<u>(39,273)</u>	<u>(47,873)</u>
Total Direct Debt	417,488	445,627	473,312	442,180	454,887	435,187	464,214	446,632	474,046	470,908
Less Sewer Indirect Self-Funding Debt	<u>(22,404)</u>	<u>(23,757)</u>	<u>(24,735)</u>	<u>(16,328)</u>	<u>(2,287)</u>	<u>(7,752)</u>	<u>(13,107)</u>	<u>(18,503)</u>	<u>(23,813)</u>	<u>(29,277)</u>
Total Net Direct Debt	<u>\$ 395,084</u>	<u>\$ 421,870</u>	<u>\$ 448,577</u>	<u>\$ 425,852</u>	<u>\$ 452,600</u>	<u>\$ 427,435</u>	<u>\$ 451,107</u>	<u>\$ 428,129</u>	<u>\$ 450,233</u>	<u>\$ 441,631</u>
Total Direct Debt as a Percentage of Equalized Grand List	6.5%	6.9%	8.1%	7.5%	7.7%	7.6%	8.1%	7.8%	8.3%	8.5%
Total Direct Debt Per Capita	\$ 3,649	\$ 3,895	\$ 4,137	\$ 4,006	\$ 4,122	\$ 3,943	\$ 4,206	\$ 4,047	\$ 4,295	\$ 4,267
Total Net Debt as a Percentage of Equalized Grand List	6.1%	6.5%	7.7%	7.2%	7.9%	7.5%	7.9%	7.5%	7.9%	8.0%
Total Net Debt Per Capita	\$ 3,453	\$ 3,688	\$ 3,921	\$ 3,722	\$ 4,101	\$ 3,873	\$ 4,087	\$ 3,879	\$ 4,079	\$ 4,002

(1) Total and net indebtedness calculated in accordance with Connecticut General Statutes.

(2) The City has no overlapping debt.

TABLE 12

**CITY OF WATERBURY, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)**

Year	Population (1)	Enrollment (2)	Income (3)	Labor Force		Percentage Unemployed (4)			
				Employed (4)	Unemployed (4)	City of Waterbury	Waterbury Labor Market	State of Connecticut	United States
2024	114,403	18,827	\$ 51,451	47,447	2,226	4.5 %	3.4 %	2.8 %	4.3 %
2023	114,403	18,642	\$ 48,787	47,412	3,070	6.1	4.8	3.9	3.8
2022	114,403	18,615	46,329	47,212	3,530	7.0	5.4	4.3	3.8
2021	114,403	18,505	42,401	44,695	5,499	11.0	8.4	6.9	5.7
2020	110,366	18,674	41,617	43,525	7,115	14.1	11.3	10.0	11.2
2019	110,366	19,202	40,879	48,052	2,997	5.9	4.7	3.9	3.8
2018	110,366	19,094	39,681	47,019	3,524	7.0	5.5	4.5	4.2
2017	110,366	19,010	40,467	48,238	4,038	7.7	6.0	5.0	4.6
2016	110,366	18,755	41,136	47,367	4,535	8.7	6.7	5.6	5.1
2015	110,366	18,798	40,639	47,906	4,772	9.1	6.9	5.6	5.6

Sources:

- (1) U.S. Department of Commerce, Bureau of Census
- (2) Waterbury Board of Education
- (3) U.S. Department of Commerce, Bureau of Census
- (4) State of Connecticut, Department of Labor

Notes:

Personal Income statistics are not available for the City of Waterbury.

Unemployment spiked as of June 30, 2020 due to COVID-19 Pandemic and continued at elevated levels as of June 30, 2021.

TABLE 13

**CITY OF WATERBURY, CONNECTICUT
PRINCIPAL EMPLOYERS
2024 AND 2015
(UNAUDITED)**

Business Name	Nature of Business	2024			2015		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of Waterbury	Government Services	4,081	1	8.60 %	3,795	1	7.92 %
Waterbury Hospital	Medical & Mental Health Services	2,115	2	4.46	1,973	2	4.12
POST University	Higher Education	2,100	3	4.43	1,150	4	2.40
Trinity Medical Group (St. Mary's Hospital)	Medical Services	1,382	4	2.91	1,752	3	3.66
Naugatuck Valley Community College	Higher Education	721	5	1.52	915	5	1.91
Stop & Shop Companies	Grocery	355	6	0.75	331	9	0.69
Dunkin Donuts	Fast Food	341	7	0.72			
YMCA	Community Services	283	8	0.60			
New Opportunities of Waterbury	Employment Services	273	9	0.58	450	6	0.94
Costco	Grocery	273	10	0.58			
Wal-Mart	Household Retail	272	11	0.57	332	8	0.69
Loehmann Blasius	Car Dealership	244	12	0.51			
Home Depot	Home Improvement Retail	235	13	0.50			
Webster Bank	Financial Services	230	14	0.48			
United States Postal Service	Government	230	15	0.48			
Shop Rite	Grocery				332	7	0.69
Eversource	Utility				257	10	0.54
Total		13,135		27.68 %	11,287		23.56 %

Source: The Connecticut Data Center & Direct Inquiry

CITY OF WATERBURY, CONNECTICUT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government (1)	1,078	1,069	1,062	1,062	1,056	1,056	1,048	1,044	1,052	1,058
Board of Education (1)	1,801	1,911	1,914	2,001	2,101	2,162	2,224	2,196	2,215	2,273
Enterprise Funds (1)	65	64	64	65	63	101	100	100	100	98
General Government - Other Funding (2)	70	71	101	94	74	63	50	50	46	58
Board of Education - Other Funding (2)	1,067	969	903	855	767	699	656	657	692	627
Total	4,081	4,084	4,044	4,077	4,061	4,081	4,078	4,047	4,105	4,114

Sources:

- (1) City of Waterbury, Budget Authorized Full Time Positions
(2) HR170 Bargaining Unit Report at 6/30/xx

TABLE 15

**CITY OF WATERBURY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government (1):										
Building permits issued	1,407	1,385	1,264	1,310	1,078	1,217	1,225	1,123	1,328	1,139
Value of permits issued (thousands)	\$ 52,147	\$ 53,841	\$ 36,270	\$ 38,516	\$ 68,692	\$ 54,810	\$ 51,439	\$ 44,931	\$ 44,657	\$ 45,165
Public works (1):										
Refuse collection:										
Trash collected (tons per day)	176	181	185	180	169	158	164	178	175	172
Cost per ton	\$ 98	\$ 93	\$ 90	\$ 83	\$ 83	\$ 73	\$ 65	\$ 64	\$ 62	\$ 61
Recyclables collected (tons per day)	27	27	27	26	27	26	11	16	12	13
Other public works:										
Street resurfacing (miles)	5.0	2.3	24.0	-	7.0	9.5	4.5	7.0	3.5	3.5
Public safety (2):										
Police:										
Physical arrests	4,561	3,944	4,340	4,243	6,503	8,267	7,113	5,296	5,968	8,704
Fire:										
Emergency responses*	21,579	21,860	21,390	21,030	20,554	20,456	20,393	19,037	17,899	17,186
Fires extinguished	615	633	646	564	654	570	623	611	747	690
Inspections	1,301	1,052	1,115	1,139	1,858	1,921	1,673	1,730	1,615	1,638
Library (3):										
Total Print Items	244,827	243,939	251,778	241,626	243,101	241,558	249,579	244,631	234,507	224,660
Total Non-Print Items	28,356	28,476	32,985	30,009	28,684	47,792	30,107	28,860	27,629	24,735
Bureau of Water (4):										
Total Daily Capacity (millions of gallons)	38	38	38	38	38	38	38	38	38	38
Average Daily Demand (millions of gallons)	15.3	17.1	15.4	16.0	14.9	13.9	14.0	14.5	14.6	15.9
Peak Hour Demand (millions of gallons)	22.8	24	24	24	19.01	26.5	33.2	28.9	18.7	20.5
Water Pollution Control (5):										
Design Average Daily Flow (millions of gallons)	27.05	27.05	27.05	27.05	27.05	27.05	27.05	27.05	27.05	27.05
Average Daily Flow Treated (millions of gallons)	26.4	22.1	23.4	21.3	19.8	23.8	23.7	22.0	16.0	16.7
Maximum Daily Flow Treated (millions of gallons)	55.2	55.35	55.35	55.32	55	50.3	50.3	50.3	55	55

Sources:

- (1) City of Waterbury, Public Works Department
- (2) City of Waterbury, Police and Fire Departments
- (3) City of Waterbury, Library Director
- (4) City of Waterbury, Bureau of Water
- (5) City of Waterbury, Water Pollution Control Authority

Notes:

* Includes 911 first responder services provided by Fire Department.

CITY OF WATERBURY, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government (1):										
Municipal buildings	3	3	3	3	3	3	3	3	3	3
Libraries	2	2	2	2	2	2	2	2	2	2
Buildings - Leased Out	6	3	3	2	2	2	2	2	2	1
Public Works (1):										
Consolidated DPW Facility	1	1	1	1	1	1	-	-	-	-
Parking garages	2	2	2	2	2	2	2	2	2	2
Surface parking lots	11	11	10	10	10	10	10	10	10	10
Police (2):										
Stations	1	1	1	1	1	1	1	1	1	1
Training facility	1	1	1	1	1	1	1	1	1	1
RX Facility	1	1	1	1	1	1	1	1	-	-
Dog Pound	1	1	1	1	1	1	1	1	1	1
Specialized Unit	1	1	-	-	-	-	-	-	-	-
Fire (2):										
Firefighting/rescue vehicles	18	19	19	19	19	18	18	18	19	22
Fire stations	9	9	9	9	9	9	9	9	9	9
Education (3):										
School buildings	31	31	31	31	30	30	30	30	28	28
Administrative buildings	2	2	2	2	2	2	2	2	2	1
Parks and Recreation (1):										
Number of recreation centers	4	4	4	4	4	4	4	4	4	4
Number of parks	34	34	32	31	31	31	31	31	31	31
Number of basketball courts	31	31	31	29	31	31	32	32	32	32
Number of golf courses	2	2	2	2	2	2	2	2	2	2
Number of playgrounds	25	25	24	23	22	22	22	22	22	22
Number of football/soccer fields	14	14	14	14	16	16	16	16	16	16
Number of baseball fields	35	35	35	35	42	42	43	43	43	43
Number of tennis courts	22	22	21	21	64	64	64	64	64	64
Number of swimming pools	3	3	3	3	3	3	3	3	3	3
Bureau of Water (4):										
Active Reservoirs	5	5	5	5	5	5	5	5	5	5
Inactive Reservoirs	2	2	2	2	2	2	2	2	2	2
Water Pollution Control (5):										
Miles of Sanitary sewers	320	320	320	320	320	320	320	320	320	320
Pump Stations	20	20	20	20	20	20	20	20	20	20

Sources:

- (1) City of Waterbury, Public Works Department
(2) City of Waterbury, Police and Fire Departments
(3) Waterbury Board of Education
(4) City of Waterbury, Bureau of Water
(5) City of Waterbury, Water Pollution Control Authority