

TOWN OF BRISTOL, VERMONT

AUDIT REPORT

JUNE 30, 2019

TOWN OF BRISTOL, VERMONT
AUDIT REPORT
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Independent Auditor's Report

Selectboard
Town of Bristol, Vermont
P.O. Box 249
Bristol, Vermont 05443

Report on the Financial Statements

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 Town of Bristol, Vermont as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Bristol, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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 Town of Bristol, Vermont as of June 30, 2019, 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.

Correction of Errors

As described in Note III.C. to the financial statements, certain errors were corrected by management during the current year. Our opinion is not modified with respect to this matter.

Other Matters

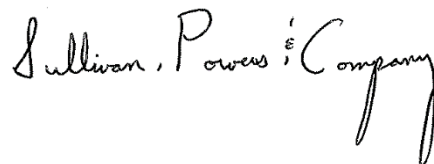
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, the budgetary comparison information on Schedules 1 and 2, the Schedule of Proportionate Share of the Net Pension Liability on Schedule 3, and the Schedule of Contributions on Schedule 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated May 1, 2020 on our consideration of the Town of Bristol, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Bristol, Vermont's internal control over financial reporting and compliance.

May 1, 2020
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF BRISTOL, VERMONT
Management's Discussion and Analysis
June 30, 2019

This discussion and analysis of the Town of Bristol, VT's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2019. Please read it in conjunction with the Town's audited financial statements.

Financial Highlights

- The Town's governmental activities net position increased by \$874,146 because of this year's operations.
- The Town's business-type activities net position decreased by \$30,662 because of this year's operations.
- The General Fund reported a net increase in fund balance of \$356,729 because of the sale of the Town Property behind the Fire Station and receiving money from the Estate of Andrew Johnson.
- The Revolving Loan Fund reported a net increase in fund balance of \$65,741 because of borrowers paying the balance due on their loan.
- The Police Department reported a net increase in fund balance of \$13,899 because of this year's operations.

Overview of the Financial Statements

The Town of Bristol's basic financial statements include the following components: (1) government-wide financial statements, (2) fund-financial statements and (3) notes to the financial statements. The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances. Governmental and proprietary fund financial statements report the Town's operations more detail than the government-wide financial statements by providing information about the Town's most significant funds.

Basic Financial Statements

The basic financial statements provide financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and provide the reader with the accounting policies used in preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the Town of Bristol's operations in a manner that is like a private business. These statements provide both short-term and long-term information regarding the Town's financial position. These financial statements are prepared using the accrual basis of accounting. Under this basis of accounting, all the fiscal year's revenues and expenses are reported when earned or incurred regardless of when cash is paid or received. The government-wide financial statements include the following two statements:

- The Statement of Net Position-This statement is used to report all the entity owns (assets) and owes (liabilities) and deferred inflows of resources. The difference between them is reported as net position. The net position is then separated into three categories: (1)net investment in capital assets, (2) resources not accessible for general use because their use is subject to restrictions enforceable by third parties, and (3) any remaining net position is classified as unrestricted.

- The Statement of Activities-This statements is used to report all changes in a Town's net position from one year to another. All changes in the net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows.

Both above-mentioned financial statements have separate columns for the two different types of Town activities. Those activities are presented for the Town of Bristol are:

- Governmental Activities - The activities in this section are mostly supported by taxes and federal and state grant revenue. Most of Bristol's basic services are reported in governmental activities which include, general government, public safety, public works, recreation and other governmental services.
- Business-Type Activities – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and services. These activities for the Town of Bristol include the Water Fund and the Sewer Fund.

Fund Financial Statements

A fund is grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the most significant funds-not the Town as a whole. The Town of Bristol, like other local governments, use fund accounting to ensure and demonstrate compliance with financial related legal requirements. The Selectboard may establish other funds to help them control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The Town of Bristol uses governmental and proprietary type funds.

- Governmental Funds-Most of the Town's operations are reported in governmental funds. These funds focus on near-term financing needs based on the inflows and outflows of spendable resources. They also focus on spendable resources available at the end of the fiscal year. This approach is known as the modified accrual basis of accounting. With this approach revenues are recorded when cash is received or when susceptible to accrual and expenditures are recognized at the time a liability is incurred and due.

The Town of Bristol adopts an annual appropriated budget for its General Fund, Highway/Public Works Department and Recreation Department. A budgetary comparison schedule has been provided for these Departments to demonstrate compliance with the budget. See Schedule 1 of the audit report.

- Proprietary Funds-The Water and Sewer Funds are classified as an enterprise funds. These funds are entirely self-supported by user charges.

Notes to Financial Statements

Notes to Financial Statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of the audit report.

Government-Wide Financial Analysis

The following is a summary of the Town's government-wide net position as of June 30, 2019, as shown in Exhibit A of the audit report:

	Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>
Assets:						
Current and Other Assets	\$ 2,720,211	\$ 2,272,520	\$ 31,519	\$ (60,604)	\$ 2,751,730	\$ 2,211,916
Capital Assets	<u>8,710,809</u>	<u>8,766,598</u>	<u>2,216,088</u>	<u>2,304,892</u>	<u>10,926,897</u>	<u>11,071,490</u>
Total Assets	<u>11,431,020</u>	<u>11,039,118</u>	<u>2,247,607</u>	<u>2,244,288</u>	<u>13,678,627</u>	<u>13,283,406</u>
Deferred Outflows of Resources	<u>191,062</u>	<u>216,130</u>	<u>0</u>	<u>0</u>	<u>191,062</u>	<u>216,130</u>
Liabilities:						
Current Liabilities	169,305	481,307	19,726	9,860	189,031	491,167
Noncurrent Liabilities	<u>4,515,698</u>	<u>4,722,437</u>	<u>1,388,782</u>	<u>1,364,667</u>	<u>5,904,480</u>	<u>6,087,104</u>
Total Liabilities	<u>4,685,003</u>	<u>5,203,744</u>	<u>1,408,508</u>	<u>1,374,527</u>	<u>6,093,511</u>	<u>6,578,271</u>
Deferred Inflows of Resources:						
Prepaid Property Taxes	8,804	8,272	0	0	8,804	8,272
Deferred Inflows Related to VMERS	<u>29,814</u>	<u>18,917</u>	<u>0</u>	<u>0</u>	<u>29,814</u>	<u>18,917</u>
Total Deferred Inflows of Resources	<u>38,618</u>	<u>27,189</u>	<u>0</u>	<u>0</u>	<u>38,618</u>	<u>27,189</u>
Net Position:						
Net Investment in Capital Assets	4,983,687	4,818,983	828,507	941,089	5,812,194	5,760,072
Restricted:						
Revolving Loan Fund	655,451	642,093	0	0	655,451	642,093
Public Safety (Police)	75,268	61,369	0	0	75,268	61,369
Record Restoration	24,953	30,806	0	0	24,953	30,806
Other Purposes	38,883	38,244	0	0	38,883	38,244
Unrestricted:	<u>1,120,219</u>	<u>432,820</u>	<u>10,592</u>	<u>(71,328)</u>	<u>1,130,811</u>	<u>361,492</u>
Total Net Position	<u>\$ 6,898,461</u>	<u>\$ 6,024,315</u>	<u>\$ 839,099</u>	<u>\$ 869,761</u>	<u>\$ 7,737,560</u>	<u>\$ 6,894,076</u>

- Government-wide Net Position - This analysis focuses on the net position and the changes in net position of the Town as a whole. In 2019 the governmental activities net position of the town increased from \$6,024,315 to \$6,898,461, an increase of \$874,146. The business-type activities net position in 2019 decreased from \$869,761 to \$839,099, a decrease of \$30,662. The governmental activities unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or imposed by law through constitutional provisions or enabling legislation. At year end, the governmental unrestricted stood at \$1,120,219 and \$10,592 for the business-type activities.

The following is a summary of the Town's governmental and business-type activities as of June 30, 2019. This is shown in Exhibit B for the governmental activities and the business-type activities.

Statement of Activities						
	Governmental Activities		Business-Type Activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
REVENUES						
Charges for Service Operating Grants and Contributions	\$ 197,642	\$ 225,558	\$ 325,488	\$ 304,866	\$ 523,130	\$ 530,424
Capital Grants and Contributions	176,939	170,831	0	0	176,939	170,831
Property Taxes	130,944	75,628		0	130,944	75,628
Penalty and Interest on Delinquent Taxes	2,715,623	2,640,408	0	0	2,715,623	2,640,408
General State Grants	22,954	24,814	0	0	22,954	24,814
Unrestricted Investment Earnings	107,025	106,999	0	0	107,025	106,999
Insurance Proceeds	3,789	2,710	84	103	3,873	2,813
Contributions and Donations	1,027	7,764	0	0	1,027	7,764
Gain on Sale of Property and Equipment	103,009	0	0	0	103,009	0
Other Revenues	316,666	26,105	0	0	316,666	26,105
	<u>0</u>	<u>3,639</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,639</u>
Total Revenues	<u>3,775,618</u>	<u>3,284,456</u>	<u>325,572</u>	<u>304,969</u>	<u>4,101,190</u>	<u>3,589,425</u>
EXPENDITURES						
General Government	669,074	791,499	0	0	669,074	791,499
Public Safety	789,472	779,369	0	0	789,472	779,369
Public Works	904,877	884,102	0	0	904,877	884,102
Sanitation	0	(3,863)	0	0	0	(3,863)
Cemetery	3,909	3,527	0	0	3,909	3,527
Community Development	570	25,600	0	0	570	25,600
Culture and Recreation	450,298	282,376	0	0	450,298	282,376
Interest on Long-Term Debt	85,372	70,675	0	0	85,372	70,675
Water	0	0	306,989	253,046	306,989	253,046
Sewer	0	0	47,145	50,321	47,145	50,321
Total Expenditures	<u>2,903,572</u>	<u>2,833,285</u>	<u>354,134</u>	<u>303,367</u>	<u>3,257,706</u>	<u>3,136,652</u>
Transfers In/(Out)	<u>2,100</u>	<u>2,500</u>	<u>(2,100)</u>	<u>(2,500)</u>	<u>0</u>	<u>0</u>
Changes in Net Position	874,146	453,671	(30,662)	(898)	843,484	452,773
Net Position - Beginning of Year	<u>6,024,315</u>	<u>5,437,701</u>	<u>869,761</u>	<u>1,003,602</u>	<u>6,894,076</u>	<u>6,441,303</u>
Net Position - End of Year	<u>\$ 6,898,461</u>	<u>\$ 5,891,372</u>	<u>\$ 839,099</u>	<u>\$ 1,002,704</u>	<u>\$ 7,737,560</u>	<u>\$ 6,894,076</u>

Some of the significant changes in the governmental activities revenues and expenses were as follows:

- An increase in contributions and donations is due to a bequest from the Estate of Andrew Johnson

Some of the significant changes in business-type activities revenues and expenses were as follows:

- An increase in the user fees
- Assisting with line repair increased the miscellaneous income
- Increase expenses due to unforeseen/emergency repairs

Financial Analysis of the Town's Governmental Funds

As discussed earlier, the Town of Bristol uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations.

- Governmental Funds – The governmental fund financial reporting focuses on spendable-resources and balances of spendable resources at year-end. The major governmental funds of the Town are the General Fund, the Revolving Loan Fund, the Police Fund, the Capital Equipment Fund, the Capital Building Fund, the Capital Roads Fund, the West Street Fund, and grant funds received for the Town.

As of June 30, 2019, the Town's governmental funds reported a combined ending fund balance of \$2,062,152. Of this \$139,218 was non-spendable, \$383,635 was restricted, \$892,291 was committed for specific purposes \$109,190 was assigned, and \$537,818 was unassigned.

- General Fund – The General fund is the primary operating fund of the Town and supports most of the services provided. The total fund balance of the General Fund as of June 30, 2019, was \$697,708, of which \$576,190 was unassigned and \$121,518 was nonspendable. The General Fund had an increase in the fund balance of \$356,729 for the year ended June 30, 2019. This significant increase relates to money received on behalf of The Estate of Andrew Johnson, and the sale of the land behind the Fire Station on West Street.
- Revolving Loan Fund – The Revolving Loan Fund is restricted funds used to make loans to small businesses within the Town of Bristol. The Total fund balance of the Revolving Loan Fund as of June 30, 2019 was \$262,231, all of which was restricted. The Revolving Loan Fund had an increase in fund balance of \$65,741 for the year ending June 30, 2019. This is due to the payoff of a borrower.
- Police District Fund – The Police District Fund is restricted funds used for the Police District within the Town of Bristol. The total fund balance for the Police District Fund as of June 30, 2019 was \$75,268. The Police District Fund had an increase in fund balance of \$13,899 for the year ending June 30, 2019. This is due to change in personnel within that fiscal year.
- Capital Equipment Fund – The Capital Equipment Fund is committed funds used to replace and purchase new equipment for the highway, police and fire. The total fund balance for the Capital Equipment Fund as of June 30, 2019 was \$464,150. The Capital Equipment fund had an increase in fund balance of \$160,776 for the year ending June 30, 2019. This is due to minimal purchases with the same budget allocations.
- Capital Building Fund - The Capital Building Fund is committed funds used to repair and upgrade infrastructure on Town buildings. The total fund balance for the Capital Building Fund as of June 30, 2019 was \$178,093. The Capital Building fund had an increase in fund balance of \$72,982 for the year ending June 30, 2019. This is due to minimal repairs and upgrades with the same budget allocation.
- Capital Road Fund – The Capital Road Fund is committed funds used to repair, rebuild, and repave roads for the Town. The total fund balance for the Capital Roads Fund as of June 30, 2019 was \$201,188. The Capital Road Fund had an increase of \$50,102 for the year ending June 30, 2019. This is due to the increase in the appropriation for the fiscal year.

- West Street Fund – The West Street Fund is unassigned funds which was established to track the loan proceeds and expenses for the West Street waterline replacement and stormwater system upgrades. The total fund balance for the West Street Fund as of June 30, 2019 was \$2,114. The West Street Fund balance increased \$68,757 for the year ending June 30, 2019. This is due to loan proceeds and the completion of the project.
- Non-Major Governmental Funds – The Non-Major Governmental Funds are funds used to track grant fund revenues and expenditures. As of June 30, 2019, the fund balance for the Non-Major Governmental funds was \$181,400. Of that, \$17,700 was nonspendable, \$46,136 was restricted, \$48,860 was committed, \$109,190 was assigned and (\$40,486) was unassigned. The Non-Major Governmental Fund balance decreased \$1,187 for the year ending June 30, 2019.
- Enterprise Funds – Enterprise funds are used to report activities which rely significantly on user fees and charges for support. The major enterprise funds for the Town of Bristol are the Water Fund and the Sewer Fund.
- Water Fund – The Water Fund is used to provide water service and operation to the water district within the village of Bristol. The Total Net Position of the Water Fund as of June 30, 2019 was \$613,094, of which \$6,200 was unrestricted and \$606,894 was Net Investment in Capital Assets. The Water Fund had a decrease in net position of \$22,338 for the year June 30, 2019.
- Sewer Fund – The Sewer Fund is used to provide septic services and operations to the downtown area of Bristol. The Total Net Position of the Sewer Fund as of June 30, 2019 was \$226,005, of which \$4,392 was unrestricted and \$221,613 was Net Investment in Capital Assets. The Sewer Fund had a decreased in net position of \$8,324 for the year June 30, 2019.

General Fund Budgetary Highlights

The schedule for comparing the Town’s original budget and actual results are included on pages 49-57 of the following report.

For the year ending June 30, 2019, actual General Fund Revenues were \$2,672,648 compared to the budgeted \$2,635,203. The differences in actual versus budgeted were primarily results of more actual collected than budgeted: Current Use, Town Clerk Fees, and Highway Grant Revenues.

For the year ending June 30, 2019, actual General Fund Expenses were \$2,728,439 compared to the budgeted \$2,635,203. The differences in actual versus budgeted were primarily result of the following:

- Attorney fees for Vermont Gas memorandum of understanding
- Agreed by the voters to use undesignated fund money to payoff People’s United Holley Hall Bond
- Inclement winter weather had the Highway Department using more salt
- The Recreation Department had not budgeted for an additional full-time employee, many benefits over expended
- Agreed by the voters to use undesignated fund money to put prior year unspent designated sidewalk replacement money into the newly established Capital Sidewalk Fund

Capital Assets and Debt Administration

Capital assets governmental activities – As of June 30, 2019, the Town of Bristol had \$8,710,809 net of accumulated depreciation, invested in capital assets including land, construction in progress, buildings and improvements, vehicles and equipment for governmental activities. This is a decrease of \$55,789 from the prior year.

Capital Assets business-type activities – As of June 30, 2019, the Town of Bristol had \$2,216,088, net of accumulated depreciation, invested in capital assets including land, construction in progress, buildings and improvements, vehicles and equipment for governmental activities. This is a decrease of \$88,804 from the prior year. Significant new capital asset additions include:

- The completion of the West Street water line replacement

Debt governmental activities – As of June 30, 2019, the Town of Bristol's governmental outstanding debt consisted of general obligation bonds, notes payable, line of credit, compensated absences, Landfill post-closure costs, VMERS net pension liability. This totaled \$4,515,698, a decrease of \$206,739 from the prior year. The new governmental activity consisted of the storm water improvements made on West Street funded through a Line of Credit with People's United Bank to ultimately be funded by the USDA.

Debt business-type activities – As of June 30, 2019, the Town of Bristol's business-type outstanding debt consisted of general obligation bonds, notes payable, line of credit, compensated absences, Landfill post-closure costs, VMERS net pension liability. This totaled \$1,388,782, an increase of \$24,115 from the prior year. The new business-type activity consisted of the West Street waterline repair and replacement.

Request for Information

This financial report is designed to provide a general overview of the Town of Bristol's finances for all those with an interest in the government finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Town of Bristol, P.O. Box 249, Bristol, VT 05443.

TOWN OF BRISTOL, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,933,531	\$ 45,647	\$ 1,979,178
Investments	17,700	0	17,700
Receivables (Net of Allowance for Uncollectibles)	152,874	72,539	225,413
Loans Receivable	404,872	0	404,872
Prepaid Expenses	121,518	3,049	124,567
Internal Balances	89,716	(89,716)	0
Capital Assets			
Land	237,300	0	237,300
Construction in Progress	26,847	0	26,847
Other Capital Assets (Net of Accumulated Depreciation)	<u>8,446,662</u>	<u>2,216,088</u>	<u>10,662,750</u>
Total Assets	<u>11,431,020</u>	<u>2,247,607</u>	<u>13,678,627</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows of Resources Related to the Town's Participation in VMERS	<u>191,062</u>	<u>0</u>	<u>191,062</u>
Total Deferred Outflows of Resources	<u>191,062</u>	<u>0</u>	<u>191,062</u>
<u>LIABILITIES</u>			
Accounts Payable	64,196	12,028	76,224
Accrued Payroll and Benefits Payable	41,817	272	42,089
Accrued Interest Payable	23,819	5,808	29,627
Unearned Revenue	39,473	1,618	41,091
Noncurrent Liabilities:			
Due within One Year	166,834	48,782	215,616
Due in More than One Year	<u>4,348,864</u>	<u>1,340,000</u>	<u>5,688,864</u>
Total Liabilities	<u>4,685,003</u>	<u>1,408,508</u>	<u>6,093,511</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	8,804	0	8,804
Deferred Inflows of Resources Related to the Town's Participation in VMERS	<u>29,814</u>	<u>0</u>	<u>29,814</u>
Total Deferred Inflows of Resources	<u>38,618</u>	<u>0</u>	<u>38,618</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	4,983,687	828,507	5,812,194
Restricted:			
Revolving Loans	655,451	0	655,451
Public Safety	75,268	0	75,268
Record Restoration	24,953	0	24,953
Other Purposes	38,883	0	38,883
Unrestricted	<u>1,120,219</u>	<u>10,592</u>	<u>1,130,811</u>
Total Net Position	<u>\$ 6,898,461</u>	<u>\$ 839,099</u>	<u>\$ 7,737,560</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 669,074	\$ 58,909	\$ 27,155	\$ 0	\$ (583,010)	\$ 0	\$ (583,010)
Public Safety	789,472	43,160	9,823	3,697	(732,792)	0	(732,792)
Public Works	904,877	3,348	127,509	123,082	(650,938)	0	(650,938)
Cemetery	3,909	0	0	0	(3,909)	0	(3,909)
Culture and Recreation	450,298	78,388	12,452	4,165	(355,293)	0	(355,293)
Community Development	570	13,837	0	0	13,267	0	13,267
Interest on Long-term Debt	85,372	0	0	0	(85,372)	0	(85,372)
Total Governmental Activities	2,903,572	197,642	176,939	130,944	(2,398,047)	0	(2,398,047)
Business-type Activities:							
Water	306,989	286,737	0	0	0	(20,252)	(20,252)
Sewer	47,145	38,751	0	0	0	(8,394)	(8,394)
Total Business-type Activities	354,134	325,488	0	0	0	(28,646)	(28,646)
Total Primary Government	\$ 3,257,706	\$ 523,130	\$ 176,939	\$ 130,944	(2,398,047)	(28,646)	(2,426,693)
General Revenues:							
Property Taxes					2,715,623	0	2,715,623
Interest and Penalties on Delinquent Taxes					22,954	0	22,954
General State Grants					107,025	0	107,025
Unrestricted Investment Earnings					3,789	84	3,873
Donations					103,009	0	103,009
Insurance Proceeds					1,027	0	1,027
Gain on Sale of Property					316,666	0	316,666
Transfers:					2,100	(2,100)	0
Total General Revenues and Transfers					3,272,193	(2,016)	3,270,177
Change in Net Position					874,146	(30,662)	843,484
Net Position - July 1, 2018, As Restated					6,024,315	869,761	6,894,076
Net Position - June 30, 2019					\$ 6,898,461	\$ 839,099	\$ 7,737,560

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2019

	General Fund	Revolving Loan Fund	Police Fund	Capital Equipment Fund	Capital Building Fund	Capital Roads Fund	West Street Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS									
Cash	\$ 638,325	\$ 250,579	\$ 0	\$ 483,425	\$ 130,468	\$ 201,188	\$ 0	\$ 229,546	\$ 1,933,531
Investments	0	0	0	0	0	0	0	17,700	17,700
Receivables	140,709	0	2,988	0	0	0	0	9,177	152,874
Loans Receivable	0	404,872	0	0	0	0	0	0	404,872
Due from Other Funds	0	0	78,473	0	47,625	0	2,114	4,116	132,328
Prepaid Expenses	121,518	0	0	0	0	0	0	0	121,518
Total Assets	\$ 900,552	\$ 655,451	\$ 81,461	\$ 483,425	\$ 178,093	\$ 201,188	\$ 2,114	\$ 260,539	\$ 2,762,823
LIABILITIES									
Accounts Payable	\$ 38,387	\$ 0	\$ 1,588	\$ 18,035	\$ 0	\$ 0	\$ 0	\$ 6,186	\$ 64,196
Accrued Payroll and Benefits Payable	37,212	0	4,605	0	0	0	0	0	41,817
Due to Other Funds	3,449	0	0	1,240	0	0	0	37,923	42,612
Unearned Revenue	13,620	0	0	0	0	0	0	25,853	39,473
Total Liabilities	92,668	0	6,193	19,275	0	0	0	69,962	188,098
DEFERRED INFLOWS OF RESOURCES									
Unavailable Property Taxes, Penalty and Interest	86,800	0	0	0	0	0	0	0	86,800
Unavailable Loans	0	393,220	0	0	0	0	0	0	393,220
Unavailable Grant Revenue	8,472	0	0	0	0	0	0	9,177	17,649
Unavailable Miscellaneous Revenue	6,100	0	0	0	0	0	0	0	6,100
Property Tax Overpayments/Prepayments	8,804	0	0	0	0	0	0	0	8,804
Total Deferred Inflows of Resources	110,176	393,220	0	0	0	0	0	9,177	512,573
FUND BALANCES/(DEFICIT)									
Nonspendable	121,518	0	0	0	0	0	0	17,700	139,218
Restricted	0	262,231	75,268	0	0	0	0	46,136	383,635
Committed	0	0	0	464,150	178,093	201,188	0	48,860	892,291
Assigned	0	0	0	0	0	0	0	109,190	109,190
Unassigned/(Deficit)	576,190	0	0	0	0	0	2,114	(40,486)	537,818
Total Fund Balances/(Deficit)	697,708	262,231	75,268	464,150	178,093	201,188	2,114	181,400	2,062,152
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 900,552	\$ 655,451	\$ 81,461	\$ 483,425	\$ 178,093	\$ 201,188	\$ 2,114	\$ 260,539	
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:									
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.									8,710,809
Other Assets are not Available to Pay for Current Period Expenditures, and, Therefore, are Deferred in the Funds.									503,769
Long-term and Accrued Liabilities, Including Bonds Payable and Net Pension Liability are not Due or Payable in the Current Period and, Therefore, are not Reported in the Funds.									(4,539,517)
Deferred Outflows and Inflows of Resources related to the Town's Participation in VMERS are applicable to Future Periods and, therefore, are not Reported in the Funds.									161,248
Net Position of Governmental Activities									\$ 6,898,461

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Revolving Loan Fund	Police Fund	Capital Equipment Fund	Capital Building Fund	Capital Roads Fund	West Street Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:									
Property Taxes	\$ 2,280,932	\$ 0	\$ 422,974	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,703,906
Penalties and Interest	23,240	0	0	0	0	0	0	0	23,240
Licenses, Fees and Fines	61,445	0	4,692	0	0	0	0	3,324	69,461
Intergovernmental Revenues	223,208	0	864	0	0	114,713	0	43,835	382,620
Contributions and Donations	103,009	0	0	1,331	0	0	0	9,403	113,743
Charges for Services	77,799	0	32,608	0	0	0	0	0	110,407
Investment Income	1,556	91	0	845	335	473	0	489	3,789
Loan Interest Income	0	13,270	0	0	0	0	0	0	13,270
Loan Repayments	0	68,765	0	0	0	0	0	0	68,765
Other Revenues	3,937	0	0	0	0	0	0	3,698	7,635
Total Revenues	2,775,126	82,126	461,138	2,176	335	115,186	0	60,749	3,496,836
EXPENDITURES:									
General Government	581,307	0	0	7,314	7,353	0	0	23,890	619,864
Public Safety	220,045	0	431,739	19,123	0	0	0	9,647	680,554
Public Works	676,721	0	0	0	0	3,069	420	14,530	694,740
Sanitation	6,886	0	0	0	0	0	0	0	6,886
Cemetery	3,909	0	0	0	0	0	0	0	3,909
Culture & Recreation	413,353	0	0	0	0	0	0	19,070	432,423
Community Development	0	16,385	0	0	0	0	0	0	16,385
Capital Outlay:									
Public Safety	0	0	0	3,603	0	0	0	0	3,603
Public Works	0	0	0	26,860	0	154,115	0	81,799	262,774
Debt Service:									
Principal	252,433	0	0	0	0	0	0	0	252,433
Interest	68,336	0	0	0	0	0	12,763	0	81,099
Total Expenditures	2,222,990	16,385	431,739	56,900	7,353	157,184	13,183	148,936	3,054,670
Excess/(Deficiency) of Revenues Over Expenditures	552,136	65,741	29,399	(54,724)	(7,018)	(41,998)	(13,183)	(88,187)	442,166
Other Financing Sources/(Uses):									
Proceeds from Long-term Debt	0	0	0	0	0	0	31,940	0	31,940
Proceeds from Sale of Property	310,566	0	0	0	0	0	0	0	310,566
Insurance Proceeds	1,027	0	0	0	0	0	0	0	1,027
Transfers In	0	0	0	215,500	80,000	142,100	50,000	87,000	574,600
Transfers Out	(507,000)	0	(15,500)	0	0	(50,000)	0	0	(572,500)
Total Other Financing Sources/(Uses)	(195,407)	0	(15,500)	215,500	80,000	92,100	81,940	87,000	345,633
Net Change in Fund Balances	356,729	65,741	13,899	160,776	72,982	50,102	68,757	(1,187)	787,799
Fund Balances/(Deficit) - July 1, 2018, As Restated	340,979	196,490	61,369	303,374	105,111	151,086	(66,643)	182,587	1,274,353
Fund Balances - June 30, 2019	\$ 697,708	\$ 262,231	\$ 75,268	\$ 464,150	\$ 178,093	\$ 201,188	\$ 2,114	\$ 181,400	\$ 2,062,152

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total government funds (Exhibit D)	\$ 787,799
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost (\$266,377) of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$329,535).	(63,158)
The effect of donations of capital assets is to increase net position.	7,369
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(24,365)
The issuance of long-term debt (\$31,940) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$252,433) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	220,493
Governmental funds report employer pension contributions as expenditures (\$53,739). However, in the statement of activities, the cost of pension benefits earned net of employee contributions (\$110,104) is reported as pension expense.	(56,365)
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 governmental funds. This amount reflects the increase in the balances of these expenditures over last year.	<u>2,373</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 874,146</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water Fund	Sewer Fund	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 23,809	\$ 21,838	\$ 45,647
Receivables (Net of Allowance for Uncollectible Accounts)	64,488	8,051	72,539
Prepaid Expenses	3,049	0	3,049
Total Current Assets	91,346	29,889	121,235
Noncurrent Assets:			
Capital Assets			
Plant and Equipment	3,129,517	583,262	3,712,779
Accumulated Depreciation	(1,190,475)	(306,216)	(1,496,691)
Total Noncurrent Assets	1,939,042	277,046	2,216,088
Total Assets	\$ 2,030,388	\$ 306,935	\$ 2,337,323
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 5,814	\$ 6,214	\$ 12,028
Accrued Payroll	214	58	272
Accrued Interest Payable	5,443	365	5,808
Unearned Revenue	1,056	562	1,618
Due to Other Funds	71,682	18,034	89,716
General Obligation Bonds Payable - Current Portion	38,476	10,306	48,782
Total Current Liabilities	122,685	35,539	158,224
Noncurrent Liabilities:			
Compensated Absences Payable	937	264	1,201
General Obligation Bonds Payable - Noncurrent Portion	1,293,672	45,127	1,338,799
Total Noncurrent Liabilities	1,294,609	45,391	1,340,000
Total Liabilities	1,417,294	80,930	1,498,224
<u>NET POSITION</u>			
Net Investment in Capital Assets	606,894	221,613	828,507
Unrestricted	6,200	4,392	10,592
Total Net Position	613,094	226,005	839,099
Total Liabilities and Net Position	\$ 2,030,388	\$ 306,935	\$ 2,337,323

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water Fund	Sewer Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$ 282,329	\$ 36,892	\$ 319,221
Penalties and Interest	3,394	0	3,394
Other Income	1,014	1,859	2,873
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	286,737	38,751	325,488
Operating Expenses:			
Operations	189,928	30,654	220,582
Depreciation	79,606	14,582	94,188
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	269,534	45,236	314,770
Operating Income/(Loss)	<u>17,203</u>	<u>(6,485)</u>	<u>10,718</u>
Non-Operating Revenue/(Expenses):			
Investment Income	14	70	84
Interest Expense	(37,455)	(1,909)	(39,364)
	<u> </u>	<u> </u>	<u> </u>
Total Non-Operating Revenue/(Expenses)	(37,441)	(1,839)	(39,280)
Net Income/(Loss) Before Capital Contributions and Transfers	<u>(20,238)</u>	<u>(8,324)</u>	<u>(28,562)</u>
Transfers:			
Transfers Out	(2,100)	0	(2,100)
	<u> </u>	<u> </u>	<u> </u>
Total Transfers	(2,100)	0	(2,100)
Change in Net Position	(22,338)	(8,324)	(30,662)
Net Position - July 1, 2018, As Restated	<u>635,432</u>	<u>234,329</u>	<u>869,761</u>
Net Position - June 30, 2019	<u>\$ 613,094</u>	<u>\$ 226,005</u>	<u>\$ 839,099</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 300,222	\$ 42,982	\$ 343,204
Payments for Wages and Benefits	(14,078)	(3,777)	(17,855)
Payments for Goods and Services	<u>(166,701)</u>	<u>(20,526)</u>	<u>(187,227)</u>
Net Cash Provided by Operating Activities	<u>119,443</u>	<u>18,679</u>	<u>138,122</u>
Cash Flows From Noncapital Financing Activities:			
(Decrease)/Increase in Due to Other Funds	(146,189)	(6,378)	(152,567)
Transfers to Other Funds	<u>(2,100)</u>	<u>0</u>	<u>(2,100)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(148,289)</u>	<u>(6,378)</u>	<u>(154,667)</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(5,384)	0	(5,384)
Proceeds of Long-term Debt	71,094	0	71,094
Principal Paid on General Obligation Bonds	(37,399)	(9,917)	(47,316)
Interest Paid on General Obligation Bonds	<u>(35,714)</u>	<u>(1,941)</u>	<u>(37,655)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(7,403)</u>	<u>(11,858)</u>	<u>(19,261)</u>
Cash Flows From Investing Activities:			
Receipt of Interest and Dividends	<u>14</u>	<u>70</u>	<u>84</u>
Net Cash Provided by Investing Activities	<u>14</u>	<u>70</u>	<u>84</u>
Net Increase/(Decrease) in Cash	(36,235)	513	(35,722)
Cash - July 1, 2018	<u>60,044</u>	<u>21,325</u>	<u>81,369</u>
Cash - June 30, 2019	<u>\$ 23,809</u>	<u>\$ 21,838</u>	<u>\$ 45,647</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 17,203	\$ (6,485)	\$ 10,718
Depreciation	79,606	14,582	94,188
Bad Debt Expense	4,000	0	4,000
(Increase)/Decrease in Accounts Receivable	12,982	3,925	16,907
(Increase)/Decrease in Prepaid Expenses	3,027	788	3,815
Increase/(Decrease) in Accounts Payable	1,856	5,486	7,342
Increase/(Decrease) in Unearned Revenue	503	306	809
Increase/(Decrease) in Accrued Payroll Payable	(52)	58	6
Increase/(Decrease) in Compensated Absences	<u>318</u>	<u>19</u>	<u>337</u>
Net Cash Provided by Operating Activities	<u>\$ 119,443</u>	<u>\$ 18,679</u>	<u>\$ 138,122</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The Town of Bristol, Vermont, (herein the "Town") operates under a Selectboard form of government and provides the following services: public safety, public works, sanitation, culture and recreation, public improvements, planning and zoning, community development, water, sewer and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of Bristol, Vermont (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the activity of the Town of Bristol, Vermont. The financial reporting entity consists of 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the general government except those accounted for in another fund.

Revolving Loan Fund – The Revolving Loan Fund was established to account for monies loaned to businesses within the Town.

Police Fund – The Police Fund accounts for taxes and other revenue charged to provide public safety to taxpayers in a specific area of the Town.

Capital Equipment Fund – The Capital Equipment Fund was established to account for monies transferred from other funds on an annual basis to be used for the acquisition of equipment.

Capital Building Fund – The Capital Building Fund was established to account for monies transferred from other funds on an annual basis to be used for building improvements.

Capital Roads Fund – The Capital Roads Fund was established to account for monies transferred from other funds on an annual basis to be used for road improvements.

West Street Fund – The West Street Fund was established to account for the capital improvement expenditures of West Street.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The Town reports the following major enterprise funds:

Water Fund – The Water Fund was established to account for user fees charged to customers to provide water services.

Sewer Fund – The Sewer Fund was established to account for user fees charged to customers to provide sewer services.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets, liabilities and deferred inflows and outflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., net total position) is segregated into net investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

Recognition of revenues on funds received in connection with loan programs are recognized when loans are awarded and expenses incurred in excess of current grants and program income. An offsetting deferred inflows of resources is recognized for all loans receivable. Loan repayment revenue is recognized as the loans are repaid.

E. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due to/from other fund balances.

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2. Investments

Investments with readily determined fair values are reported at the fair values on the balance sheet. Unrealized gains and losses are included in revenue. The Town invests in instruments as authorized by State statutes.

3. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

Unbilled revenues consist of revenues earned as of June 30, but not yet billed as of that date.

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds”. 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”. The purpose of the interfund balances is to allow the Town to pool its cash deposits to better manage its cash flow.

5. Pensions

For purposes of measuring the proportionate share of the net pension liability and the related deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Vermont Municipal Employees’ Retirement System (VMERS) plan and additions to/deductions from the VMERS’ fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

6. Prepaid Expenses

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses.

Reported prepaid expenses of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

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7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, “deferred inflows of resources”, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related or when the amounts become available.

8. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated acquisition value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets’ lives are not capitalized. Infrastructure assets are reported starting with the fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively. The Town has not capitalized any interest costs.

Depreciable capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Estimated Service Life
Land	\$ 10,000	N/A
Buildings and Building Improvements	\$ 20,000	40
Furniture and Equipment	\$ 2,000	7-15
Infrastructure	\$ 20,000	40
Vehicles	\$ 2,000	5-10
Water and Sewer Systems	\$ 10,000	40

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Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recoded as expenditures in the year they are acquired.

9. Compensated Absences

Sick leave is earned by full-time permanent employees at a rate of seven (7) days per year. Employees may carry up to fifteen (15) days of sick leave from fiscal year to fiscal year. Each July 1, employees can exchange sick leave accrued over fifteen (15) days for vacation days at a rate of two (2) sick days for one (1) vacation day.

Employees of the Town are granted vacation leave in varying amounts. Employees may carry over to the next fiscal year up to ten (10) days of vacation.

Upon termination of employment, the Town will compensate the employee for unused vacation and sick days up to the limits noted at current pay rates.

10. Long-term Liabilities

Long-term liabilities include bonds payable, notes payable and other obligations such as the landfill estimated post-closure liability, compensated absences and the Town's net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current liabilities on their balance sheets.

11. Fund Equity

Fund Equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in the government-wide and proprietary fund type financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement.

Fund Balances in the governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

TOWN OF BRISTOL, VERMONT
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II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

Governmental Fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, while government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas government-wide statements report revenues when they are earned.

Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as an other financing source, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

Pension-related liabilities arise because governmental funds report the current year’s required employer contributions as current period expenditures, whereas government-wide statements report those transactions as deferred outflows of resources. In addition, the accrual for the Town’s proportionate share of the net pension liability is recorded in the government-wide financial statements along with the related deferred inflows and outflows of resources.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The administration and finance office of the Town are responsible for preparing the annual revenue and expenditures budgets. This budget is presented to the Selectboard and once the Board has adopted the budget, it is sent to the voters of the Town. The budget is voted on annually in March. Budget changes require voter approval. There were no budget amendments during the year. The budget herein is for the Town’s “General Fund” only and does not include the Stoney Hill Sale Fund and the A. Johnson Estate Fund activity that is included with the General Fund.

TOWN OF BRISTOL, VERMONT
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B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2019, expenditures in the General Fund exceeded appropriations by \$93,236. These over expenditures were funded by excess revenues and available fund balance.

C. Restatement of Fund Balances/Net Position

The net position of the governmental activities and business-type activities were restated as follows:

	Governmental Activities	Business-type Activities
Net Position - June 30, 2018, As Originally Reported	\$ 5,891,372	\$ 1,002,704
Correction of Errors:		
(Overstatement)/Understatement of Internal Balances	187,646	(187,646)
(Overstatement)/Understatement of Capital Assets	(235,736)	235,736
Overstatement/(Understatement) of Long-term Debt	181,033	(181,033)
Net Position - June 30, 2018, As Restated	\$ 6,024,315	\$ 869,761

The restatement of the governmental activities was the result of an understatement of internal balances, an overstatement of capital assets and an overstatement of long-term debt. The effect of this restatement on the governmental activities Statement of Net Position is to decrease assets by \$48,090, decrease liabilities by \$181,033, and increase net position by \$132,943. The effect on the 2018 Statement of Activities has not been determined.

The restatement of the business-type activities was the result of an overstatement of internal balances, an understatement of capital assets and an understatement of long-term debt. The effect of this restatement on the business-type activities Statement of Net Position is to increase assets by \$48,090, increase liabilities by \$181,033, and decrease net position by \$132,943. The effect on the 2018 Statement of Activities has not been determined.

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The fund balances/net position of the Governmental Funds and Proprietary Funds were restated as follows:

	Governmental Fund		Proprietary Fund
	West Street Fund		Water Fund
Fund Balances/Net Position/(Deficit) - June 30, 2018, As Originally Reported	\$ (254,289)		\$ 768,375
Correction of Errors:			
(Overstatement)/Understatement of Due to/from Other Funds	187,646		(187,646)
(Overstatement)/Understatement of Capital Assets	0		235,736
Overstatement/(Understatement) of Long-term Debt	0		(181,033)
Fund Balances/Net Position/(Deficit) - June 30, 2018, As Restated	\$ (66,643)	\$	\$ 635,432

The restatement of the West Street Fund was the result of an understatement of due to/from other funds. The effect of this restatement on the West Street Fund Balance Sheet is to decrease liabilities by \$187,646, and increase fund balance by \$187,646. The effect on the 2018 Statement of Revenues, Expenditures and Changes in Fund Balance has not been determined.

The restatement of the business-type activities was the result of an overstatement of due to/from other funds, an understatement of capital assets and an understatement of long-term debt. The effect of this restatement on the Water Fund Statement of Net Position is to increase assets by \$48,090, increase liabilities by \$181,033, and decrease net position by \$132,943. The effect on the 2018 Statement of Revenues, Expenditures and Changes in Net Position has not been determined.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2019 consisted of the following:

Cash:	
Deposits with Financial Institutions	\$1,976,773
Cash on Hand	2,405
Total Cash	1,979,178

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Investments:	
Certificate of Deposit	\$ <u>17,700</u>
Total Cash and Investments	<u>\$1,996,878</u>

The Town has one (1) certificate of deposit with People’s United Bank in the amount of \$17,700, with an interest rate of 0.30% and maturity date of September 20, 2019.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk.

The following table shows the custodial credit risk of the Town’s cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured – FDIC	\$ 765,878	\$ 767,700
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution’s Agent	1,228,016	1,401,149
Uninsured, Uncollateralized	<u>579</u>	<u>624</u>
Total	<u>\$1,994,473</u>	<u>\$2,169,473</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$1,976,773
Investments – Certificate of Deposit	<u>17,700</u>
Total	<u>\$1,994,473</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The certificate of deposit is not subject to interest rate risk disclosure requirements.

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Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town has no investments subject to credit risk. The Town’s credit risk policy is as follows:

AUTHORIZED INVESTMENTS AND INSTITUTIONS. Public deposits shall only be made in qualified public depositories as established by Vermont Law. All broker/dealers who desire to become qualified for investment transactions with the Town must supply the following as appropriate:

1. Access to audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
2. Proof of National Association of Securities Dealers (NASD) certification;
3. Proof of state registration.

The following investments will be permitted under this policy:

1. Certificates of deposit and other evidences of deposit at financial institutions; and
2. Investment grade obligations of state and local governments and public authorities with an AAA or an AA rating by Moody’s or S & P.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town’s investments are held within one security. The Town has no limit on the amount that they may invest with any one issuer. The Town has no investments subject to concentration of credit risk.

B. Receivables

Receivables at June 30, 2019, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Delinquent Taxes	\$ 115,519	\$ 0	\$ 115,519
Penalties and Interest	10,618	0	10,618
Accounts Receivable	9,088	0	9,088
Grants Receivable	17,649	0	17,649
Billed Services	0	60,260	60,260
Unbilled Services	0	16,279	16,279
Allowance for Doubtful Accounts - Delinquent Water Rents	0	(4,000)	(4,000)
Total	<u>\$ 152,874</u>	<u>\$ 72,539</u>	<u>\$ 225,413</u>

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C. Loans Receivable

Loans Receivable at June 30, 2019 consists of a number of loans for community development as follows:

Notes Receivable, 12 Small Business Loans, Monthly Principal and Interest Payments Required, Interest Ranging from 0% to 4.25%, Maturity Dates Ranging from October 16, 2019 through April 17, 2024 All Secured by Business Assets. \$404,872

An analysis of the change in loans receivable is as follows:

<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>\$532,811</u>	<u>\$ 15,815</u>	<u>\$143,754*</u>	<u>\$404,872</u>

* The Town wrote-off a loan that was in default in the amount of \$74,989 due to bankruptcy proceedings.

D. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 237,300	\$ 0	\$ 0	\$ 237,300
Construction in Progress	0	26,847	0	26,847
Total Capital Assets, Not Being Depreciated	<u>237,300</u>	<u>26,847</u>	<u>0</u>	<u>264,147</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	4,584,653	0	0	4,584,653
Furniture and Equipment	713,388	26,860	0	740,248
Vehicles	1,573,885	3,603	7,805	1,569,683
Infrastructure	4,249,351	216,436	0	4,465,787
Totals	<u>11,121,277</u>	<u>246,899</u>	<u>7,805</u>	<u>11,360,371</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	530,171	116,337	0	646,508
Furniture and Equipment	535,644	33,443	0	569,087
Vehicles	1,045,270	71,762	7,805	1,109,227
Infrastructure	480,894	107,993	0	588,887
Totals	<u>2,591,979</u>	<u>329,535</u>	<u>7,805</u>	<u>2,913,709</u>
Total Capital Assets, Being Depreciated	<u>8,529,298</u>	<u>(82,636)</u>	<u>0</u>	<u>8,446,662</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,766,598</u>	<u>\$ (55,789)</u>	<u>\$ 0</u>	<u>\$ 8,710,809</u>

TOWN OF BRISTOL, VERMONT
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets, Being Depreciated:				
Water and Sewer Systems	\$ 3,647,537	\$ 0	\$ 0	\$ 3,647,537
Equipment	25,494	5,384	0	30,878
Vehicles	34,364	0	0	34,364
Totals	<u>3,707,395</u>	<u>5,384</u>	<u>0</u>	<u>3,712,779</u>
Less Accumulated Depreciation for:				
Water and Sewer Systems	1,352,254	91,922	0	1,444,176
Equipment	15,885	2,266	0	18,151
Vehicles	34,364	0	0	34,364
Totals	<u>1,402,503</u>	<u>94,188</u>	<u>0</u>	<u>1,496,691</u>
Total Capital Assets, Being Depreciated	<u>2,304,892</u>	<u>(88,804)</u>	<u>0</u>	<u>2,216,088</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,304,892</u>	<u>\$ (88,804)</u>	<u>\$ 0</u>	<u>\$ 2,216,088</u>

Depreciation expense is charged to functions as follows:

Governmental Activities:		Business-type Activities:	
General Government	\$ 32,129	Water	\$ 79,606
Public Safety	193,475	Sewer	<u>14,582</u>
Highways and Streets	96,390		
Culture and Recreation	<u>7,541</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 329,535</u>	Total Depreciation Expense - Business-type Activities	<u>\$ 94,188</u>

E. Interfund Balances and Activity

The Due To/From balances as of June 30, 2019 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 3,449
Police Fund	78,473	0
Capital Equipment Fund	0	1,240
Capital Building Fund	47,625	0
West Street Fund	2,114	0
Non-Major Governmental Funds	4,116	37,923
Water Fund	0	71,682
Sewer Fund	<u>0</u>	<u>18,034</u>
Total	<u>\$ 132,328</u>	<u>\$ 132,328</u>

TOWN OF BRISTOL, VERMONT
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Interfund transfers during the year ended June 30, 2019 were as follows:

Transfer From	Amount	Transfer To	Amount	Purpose
General Fund	\$ 100,000	Capital Equipment Fund	\$ 100,000	Annual Funding for Highway Equipment
General Fund	25,000	Capital Equipment Fund	25,000	Annual Funding for Fire Equipment
General Fund	5,000	Capital Equipment Fund	5,000	Annual Funding for Capital Technology
General Fund	70,000	Capital Equipment Fund	70,000	Funding for Fire Vehicles
General Fund	35,000	Capital Sidewalk Fund	35,000	Annual Funding
General Fund	17,000	Capital Sidewalk Fund	17,000	To Fund Capital Improvements
General Fund	30,000	Capital Building Fund	30,000	Annual Funding
General Fund	50,000	Capital Building Fund	50,000	To Transfer Prior Year Surplus
General Fund	100,000	Capital Roads Fund	100,000	Annual Funding for Paving
General Fund	40,000	Capital Roads Fund	40,000	Annual Funding for Road Construction
General Fund	10,000	Conservation Fund	10,000	Annual Funding
General Fund	25,000	Holley Hall Acoustics Fund	25,000	To Repay Interfund Loan
Police Fund	12,500	Capital Equipment Fund	12,500	Annual Funding for Vehicle Replacement
Police Fund	3,000	Capital Equipment Fund	3,000	Annual Funding for Police Equipment
Capital Roads Fund	50,000	West Street Fund	50,000	To Fund Capital Improvements
Water Fund	<u>2,100</u>	Capital Roads Fund	<u>2,100</u>	To Fund Paving Expenses
Total	<u>\$ 574,600</u>		<u>\$ 574,600</u>	

F. Deferred Outflows of Resources

Deferred outflows of resources in the Governmental Activities consists of \$36,722 from the difference between the expected and actual experience, \$46,817 from changes in assumptions, \$48,998 from the difference between the projected and actual investment earnings, \$4,786 resulting from changes in proportion and differences between employer contributions and proportionate share of contributions and \$53,739 of required employer pension contributions subsequent to the measurement date, as further described in Note V.A. Total deferred outflows of resources in the Governmental Activities is \$191,062.

G. Unearned Revenue

Unearned revenue in the General Fund consists of \$13,620 of recreation fees received in advance.

Unearned revenue in the Non-Major Governmental Funds consists of \$25,853 of grant revenue received in advance.

Unearned Revenue in the Water Fund and Sewer Fund consists of \$1,056 and \$562, respectively, of fees received in advance. This revenue will be earned as the water and sewer fees are billed.

TOWN OF BRISTOL, VERMONT
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H. Deferred Inflows of Resources

Deferred inflows of resources in the Governmental Activities consists of \$8,804 of prepaid property taxes, \$6,760 from the difference between the expected and actual experience and \$23,054 resulting from changes in proportion and differences between employer contributions and proportionate share of contributions to the Town's participation in the Vermont Municipal Employee's Retirement System (VMERS), as further described in Note V.A. Total deferred inflows of resources in the Governmental Activities is \$38,618.

Deferred Inflows of Resources in the General Fund consists of \$86,800 of delinquent property taxes, penalties and interest on those taxes, \$8,472 of grant revenue and \$6,100 of miscellaneous revenue that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities, as well as \$8,804 of prepaid property taxes. Total Deferred Inflows of Resources in the General Fund is \$110,176.

Deferred Inflows of Resources in the Revolving Loan Fund consists of \$393,220 of loans receivable.

Deferred Inflows of Resources in the Non-Major Governmental Funds consists of \$9,177 of grant revenue that was not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

I. Landfill Post-Closure Costs

The Town of Bristol, Vermont operated a municipal landfill. The Town closed the landfill on August 1, 2015 due to the decrease in tonnage, increased cost to close the landfill and the possible costs of implementing Act 148. The current estimate of the cost of post-closure monitoring is \$314,280.

The following is an estimate of post-closure costs:

Estimated post-closure costs per year	\$ 11,640
Years to maintain	<u>27</u>
Total Liability for costs of post-closure monitoring at June 30, 2019	\$ <u><u>314,280</u></u>

TOWN OF BRISTOL, VERMONT
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J. Long-term Liabilities

General Obligation Bonds - The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities as well as major capital equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

Notes Payable – The Town has a note payable to finance capital improvements to Holley Hall and a note payable to finance capital improvements to Howden Hall.

Line of Credit – The Town has taken out a line of credit in order to fund capital construction. It is the intent of the Town to pay the outstanding balance on the line of credit with future bond proceeds.

Compensated Absences - It is the policy of the Town to permit employees to accumulate earned but unused benefits. The accrual for unused compensated absences time, based on current pay rates, is recorded in the government-wide financial statements.

Landfill Post-Closure Costs – The Town has estimated their liability for post-closure costs of the Town’s landfill based upon maintenance and monitoring functions required by State and Federal laws and regulations.

Net Pension Liability - The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries. The accrual for the Town’s share of the net pension liability is recorded in the government-wide financial statements.

The following is a summary of changes in the bonds and notes payable for the year ended June 30, 2019:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Governmental Activities:</u>				
Note Payable, Peoples United Bank, 2011 Holley Hall Improvements, Interest at 3.1%, Due and Paid April, 2019.	\$ 30,000	\$ 0	\$ 30,000	\$ 0

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Bond Payable, Vermont Municipal Bond Bank, 2007 Fire Engine Tanker, Annual Principal Payments of \$30,000 Due November 15 Annually, Interest Rates Ranging From 2.72% to 4.01% Due Semi-Annually on May 15 and November 15, Due and Paid November, 2018	\$ 30,000	\$ 0	\$ 30,000	\$ 0
Bond Payable, Vermont Municipal Bond Bank, 2010 Holley Hall/Waterline Improvements, Annual Principal Payments of \$30,000 Due December 1 through December 1, 2020 at Which Time They Increase to \$35,000 Payable Annually through December 1, 2030, Interest Rates Ranging from 1.033% to 3.426% Due Semi-Annually on June 1 and December 1, Due December, 2030	440,000	0	30,000	410,000
Note Payable, National Bank of Middlebury, 2013 Howden Hall Lift, Annual Principal Payments of \$7,000 Payable on October 7, Interest at 2.95%, Due and Paid October, 2018	7,000	0	7,000	0
Bond Payable, State of Vermont Special Environmental Revolving Fund (AR1-026), Stormwater Improvements, Annual Principal Payments Ranging from \$23,500 to \$34,235 Payable on December 1, Interest at 0%, Administration Fee at 2.0% Due December, 2031	422,745	0	26,465	396,280

TOWN OF BRISTOL, VERMONT
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	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Bond Anticipation Note, Peoples United Bank, South Street Bridge, Authorized to \$65,773, Interest at 2.95%, Due August, 2019. The Town Extended this Bond Anticipation Note to August, 2020	\$ 96,541	\$ 0	\$ 30,768	\$ 65,773
Bond Payable, National Bank of Middlebury, Public Safety Facility, Annual Principal Payments of \$98,200 Payable on August 1, Interest at 1.54%, Due August, 2046	2,696,579	0	98,200	2,598,379
Bond Anticipation Note, People's United Bank, West Street Public Water and Storm Water Improvements, Interest at 3.1%, Due December, 2019, Authorized to \$828,035. This Bond is Split 31% to the Governmental Activities and 69% to the Business-type Activities. In August, 2019, this was Refinanced with Bond Proceeds by the USDA	<u>224,750</u>	<u>31,940</u>	<u>0</u>	<u>256,690</u>
Total Governmental Activities	<u>3,947,615</u>	<u>31,940</u>	<u>252,433</u>	<u>3,727,122</u>
	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Business-type Activities:</u>				
Bond Payable, Vermont Municipal Bond Bank, 2010 Holley Hall/Waterline Improvements, Annual Principal Payments of \$10,000 Due December 1, Interest Rates Ranging from 1.033% to 3.426% Due Semi-Annually on June 1 and December 1, Due December, 2020	\$ 30,000	\$ 0	\$ 10,000	\$ 20,000
Bond Payable, Vermont Municipal Bond Bank, Sewer Construction, Interest at 3.93%, Principal and Interest Payments of \$12,496 Due Semi-Annually on June 1 and December 1, Due December, 2023	65,350	0	9,917	55,433

TOWN OF BRISTOL, VERMONT
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JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Bond Payable, Vermont Municipal Bond Bank, Water Line Construction, Interest at 3.93%, Principal and Interest Payments of \$55,894 Due Semi-Annually on June 1 and December 1, Due December, 2036	\$ 724,203	\$ 0	\$ 27,399	\$ 696,804
Bond Payable, Vermont Municipal Bond Bank, West Street Preliminary Engineering, Interest at 0%, Principal Payments of \$8,800 Due Annually Beginning September 1, 2020, Due September, 2024.	44,000	0	0	44,000
Bond Anticipation Note, People's United Bank, West Street Public Water and Storm Water Improvements, Interest at 3.1%, Due December, 2019, Authorized to \$828,035. This Bond is Split 31% to the Governmental Activities and 69% to the Business-type Activities. In August, 2019, this was Refinanced with Bond Proceeds by the USDA	<u>500,250</u>	<u>71,094</u>	<u>0</u>	<u>571,344</u>
Total Business-type Activities	<u>1,363,803</u>	<u>71,094</u>	<u>47,316</u>	<u>1,387,581</u>
Total Long-term Debt	<u>\$5,311,418</u>	<u>\$ 103,034</u>	<u>\$ 299,749</u>	<u>\$5,114,703</u>

Changes in all long-term liabilities during the year were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 3,589,324	\$ 0	\$ 184,665	\$ 3,404,659	\$ 155,194
Notes Payable	37,000	0	37,000	0	0
Bond Anticipation Notes	321,291	31,940	30,768	322,463	0
Compensated Absences	46,528	4,994	0	51,522	0
Net Pension Liability	402,374	20,400	0	422,774	0
Landfill Estimated Post Closure Costs	<u>325,920</u>	<u>0</u>	<u>11,640</u>	<u>314,280</u>	<u>11,640</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 4,722,437</u>	<u>\$ 57,334</u>	<u>\$ 264,073</u>	<u>\$ 4,515,698</u>	<u>\$ 166,834</u>

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
General Obligation Bonds	\$ 863,553	\$ 0	\$ 47,316	\$ 816,237	\$ 48,782
Bond Anticipation Note	500,250	71,094	0	571,344	0
Compensated Absences	864	337	0	1,201	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Business-type Activities Long-term Liabilities	\$ <u>1,364,667</u>	\$ <u>71,431</u>	\$ <u>47,316</u>	\$ <u>1,388,782</u>	\$ <u>48,782</u>

Debt service requirements to maturity are as follows:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	155,194	62,563	48,782	29,324
2021	155,734	59,883	59,106	27,454
2022	161,284	56,363	52,339	23,999
2023	161,846	53,000	50,690	25,677
2024	162,419	49,935	53,736	22,254
2025-2029	821,098	201,249	195,558	89,041
2030-2034	661,705	123,656	226,458	48,623
2035-2039	491,000	79,395	129,568	6,750
2040-2045	491,000	41,588	0	0
2045-2046	143,379	6,049	0	0
Unknown	322,463	0	571,344	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>3,727,122</u>	\$ <u>733,681</u>	\$ <u>1,387,581</u>	\$ <u>273,122</u>

K. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

TOWN OF BRISTOL, VERMONT
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JUNE 30, 2019

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Major Funds

General Fund:

Nonspendable Prepaid Expenses	\$ <u>121,518</u>
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Non-Major Fund

Nonspendable Martha Parker Fund by Bequest	<u>17,700</u>
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Total Nonspendable Fund Balances	\$ <u>139,218</u>
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The fund balances in the following funds are restricted as follows:

Major Funds

Revolving Loan Fund:

Restricted for Revolving Loan Fund by Grant Agreement (Source of Revenue is Grant Revenue)	\$ <u>262,231</u>
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Police Fund:

Restricted for Police Expenditures by Charter/ State Statute (Source of Revenue is Special Taxes)	<u>75,268</u>
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TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Non-Major Funds

Restricted for Record Restoration Expenditures by Statute (Source of Revenue is Recording Fees)	\$ 24,952
Restricted for Recreation Department Expenditures by Donations (Source of Revenue is Donations)	5,056
Restricted for Howden Hall Expenditures by Donations and Grant Agreements (Source of Revenue is Donations and Grant Revenue)	1,222
Restricted for Peveril Peake Expenditures by Donations (Source of Revenue is Donations)	4,529
Restricted for Bristol Flood Relief Expenditures by Grant Agreements (Source of Revenue is Grant Revenue)	2,327
Restricted for United Way of Addison County Expenditures By Grant Agreements (Source of Revenue is Grant Revenue)	2,371
Restricted for Skate Park Expenditures by Donations (Source of Revenue is Grant Revenue and Donations)	1,081
Restricted for Various Non-Major Governmental Funds by Donations and Grant Agreements (Source of Revenue is Grant Revenue and Donations)	<u>4,598</u>
Total Non-Major Funds	<u>46,136</u>
Total Restricted Fund Balances	<u>\$383,635</u>

The fund balances in the following funds are committed as follows:

Major Funds:

Capital Equipment Fund:	
Committed for Fire Department Capital Expenditures by the Voters	\$328,366
Committed for Police Capital Equipment Expenditures by the Voters	40,326
Committed for Capital Equipment Expenditures by the Voters	<u>95,458</u>
Total Capital Equipment Fund	<u>464,150</u>
Capital Building Fund:	
Committed for Capital Building Expenditures by the Voters	<u>178,093</u>
Capital Roads Fund:	
Committed for Capital Road Expenditures by the Voters	<u>201,188</u>

Non-Major Funds:

Committed for Conservation Expenditures by the Voters	<u>48,860</u>
Total Committed Fund Balances	<u>\$892,291</u>

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

The fund balances in the following funds are assigned as follows:

Non-Major Funds:

Assigned for Reappraisal Expenses (Source of Revenue is Grant Revenue)	\$105,787
Assigned for Lister Education Expenses (Source of Revenue is Grant Revenue)	2,918
Assigned for Holley Hall Acoustics Expenses	<u>485</u>
Total Assigned Fund Balances	<u>\$109,190</u>

The Non-Major Governmental Funds unassigned deficits of \$26,847, \$2,604, \$4,462, \$529 and \$6,044 in the Main Street Project Fund, the Stormwater Management Plan Fund, the Sidewalk Fund, the GHSP Equipment Incentive Fund and the Americorps Fund, respectively, will be funded with future grant revenue, donations and transfers from the General Fund and capital funds.

L. Net Position

The restricted net position in the Governmental Activities are as follows:

Restricted for Revolving Loan Expenditures	\$655,451
Restricted for Police Expenditures	75,268
Restricted for Restoration of Records Expenditures	24,953
Restricted for Martha Parker Fund Expenditures	18,069
Restricted for Various Non-Major Governmental Funds Expenditures	<u>20,814</u>
Total Restricted Net Position	<u>\$794,555</u>

V. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2019, the retirement system consisted of 402 participating employers.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2018, the measurement date selected by the State of Vermont, VMERS was funded at 82.60% and had a plan fiduciary net position of \$667,848,905 and a total pension liability of \$808,524,797 resulting in a net position liability of \$140,675,892. As of June 30, 2019, the Town's proportionate share of this was 0.3005% resulting in a net pension liability of \$422,774. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.3005% was a decrease of 0.0316 from its proportion measured as of the prior year.

For the year ended June 30, 2019, the Town recognized pension expense of \$110,104.

As of June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual experience	\$ 36,722	\$ 6,760
Changes in assumptions	46,817	0
Difference between projected and actual investment earnings	48,998	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,786	23,054
Town's required employer contributions made subsequent to the measurement date	53,739	0
	\$ 191,062	\$ 29,814

The deferred outflows of resources resulting from the Town's required employer contributions made subsequent to the measurement date in the amount of \$53,739 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending <u>June 30</u>	
2020	\$ 72,455
2021	25,690
2022	4,052
2023	5,312
Total	\$107,509

Summary of System Provisions

Membership – Full time employees of participating municipalities. The Town elected coverage under Group C provisions.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group C – Average annual compensation during highest three (3) consecutive years.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Service Retirement Allowance:

Eligibility – Groups C – Age 55 with five (5) years of service.

Amount – Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC.

Maximum benefit is 50% of AFC for Group C. The previous amounts include the portion of the allowance provided by member contributions.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility – Five (5) years of service and disability as determined by Retirement Board.

Amount – Immediate allowance based on AFC and service to date of disability.

Death Benefit:

Eligibility – Death after five (5) years of service.

Amount – For Group C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement – For Group C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

Refund of Contribution – Upon termination, if the member so elects or if no other benefit is payable, the member’s accumulated contributions are refunded.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 3% for Group C.

Member Contributions – Group C – 10.125%.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Employer Contributions –Group C – 7.375%.

Retirement Stipend – \$25 per month payable at the option of the Board of Trustees.

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.50%, net of pension plan investment expenses, including inflation.

Salary increases: 5% per year.

Mortality:

Death in Active Service: Group C – 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational improvement.

Healthy Post-Retirement: Group C – 98% of RP-2014 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational improvement.

Disabled Post-Retirement: Group C – RP-2006 Disabled Mortality Table with generational improvement.

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.30% per annum for Group C members (beginning at normal retirement eligibility age for members who elect reduced early retirement, at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2019 COLA is assumed to be 1.3% for all groups.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment or, if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Actuarial Value of Assets: A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation: 2.50%.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Long-term Expected Rate of Return:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	18%	6.10%
Non-US Equity	16%	7.45%
Global Equity	9%	6.74%
Fixed Income	26%	2.25%
Real Estate	8%	5.11%
Private Markets	15%	7.60%
Hedge Funds	8%	3.86%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. 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.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
\$716,083	\$422,774	\$184,232

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019

B. Risk Management

The Town of Bristol is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Bristol maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. (the Fund) covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Bristol except that the Town has an environmental exclusion in their insurance policy in regards to the landfill. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town must remain a member of the Fund for a minimum of one year and may withdraw from the Fund after that time by giving sixty days' notice. Fund underwriting and rate-setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town of Bristol self-insures itself for unemployment coverage. The Town must pay the Vermont Department of Labor for any paid claims. Unemployment claims for the year ended June 30, 2019 were \$7,157.

C. Property Taxes

The Town bills and collects its own property taxes as well as education property taxes for the State. The tax bills are due in two installments on November 5th and April 5th and become delinquent if not paid in full by the following day. On April 6th of the current year, the Town assesses an 4% penalty on all unpaid amounts. Interest is calculated at .75% for the first (3) months and 1.25% thereafter. The tax rate for fiscal year 2019 is as follows:

	<u>Non-Homestead</u>	<u>Homestead</u>
Education	1.5650	1.5270
General	.2292	.2292
Highway	.2061	.2061
Recreation	.0522	.0522
Police	.3182	.3182
Special Articles	.2076	.2076
Local Agreement	<u>.0038</u>	<u>.0038</u>
 Total Tax Rate/per \$100 of Assessed Valuation	 <u>2.5821</u>	 <u>2.5441</u>

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

D. Leases

The Town's Police Department entered into an operating lease for office space in 2015. The lease is for ten (10) years. Lease expense for the fiscal year 2019 was \$38,720. Future minimum lease payments are as follows:

2020	\$ 39,384
2021	39,546
2022	39,546
2023	39,546
2024	<u>9,887</u>
Total	<u>\$167,909</u>

E. Related Party Transactions

One Selectboard member is an owner/operator of a construction company which performed services for the Town during the year. The amount paid to his excavating company for the fiscal year ending June 30, 2019 was \$20,364.

One Selectboard member is an owner of a carpentry company which performed services for the Town during the year. The amount paid to his carpentry company for the fiscal year ending June 30, 2019 was \$3,796.

F. Subsequent Events

On August 7, 2019, the Town extended a Bond Anticipation Note in the amount of \$52,620 from People's United Bank for improvements to South Street Bridge. This bond is due on August 6, 2020 with interest at 3.1%.

On August 28, 2019, the Town refinanced a Bond Anticipation Note in the amount of \$572,803 from the United States Department of Agriculture for Public Water System Improvements. This bond is due on August 28, 2059 with interest at 2.25%.

On August 28, 2019, the Town refinanced a Bond Anticipation Note in the amount of \$259,716 from the United States Department of Agriculture for Public Stormwater System Improvements. This bond is due on August 28, 2049 with interest at 2.25%.

TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property Taxes	\$ 2,285,946	\$ 2,280,932	\$ (5,014)
Delinquent Taxes - Interest	10,000	12,736	2,736
Delinquent Taxes - Penalty	16,000	10,504	(5,496)
Fish and Wildlife Pond Access PILOT	790	538	(252)
National Forest Payments	13,000	15,600	2,600
Current Use Program	80,000	90,887	10,887
Total Taxes	2,405,736	2,411,197	5,461
Licenses, Fines & Fees:			
Liquor Licenses	900	940	40
Dog Licenses	2,000	3,593	1,593
Dog Fines	350	90	(260)
Police Fines	3,500	5,610	2,110
Parking Permit Fees	300	250	(50)
Town Clerk Fees	33,000	39,068	6,068
Motor Vehicle Reg. Renewals	600	461	(139)
Zoning Fees	9,000	11,433	2,433
Total Licenses, Fines & Fees	49,650	61,445	11,795
Recreation Department:			
Revenues	48,000	54,571	6,571
Town Appropriations - 4 Towns	9,500	9,500	0
Youth Center Event & Rental Income	2,000	2,288	288
Pottery Studio	13,050	13,055	5
Hall Events	3,000	2,290	(710)
Hall Rentals	3,000	3,420	420
Swimming	0	2,175	2,175
Total Recreation Department	78,550	87,299	8,749
Highway Department:			
State Aid for Highways	95,850	95,871	21
Equipment Use - Water/Landfill	1,000	0	(1,000)
Garage Rent from Water Department	500	0	(500)
Miscellaneous	500	3,348	2,848
Grant Revenues	0	9,147	9,147
Total Highway Department	97,850	108,366	10,516
Reimbursements to Town:			
Library Personnel Benefits Reimbursement	984	589	(395)
Act 60 Reimbursements	1,683	1,665	(18)
Total Reimbursements to Town	2,667	2,254	(413)
Other Revenues:			
Interest	500	1,060	560
Insurance Proceeds	0	1,027	1,027
Miscellaneous Revenues	250	0	(250)
Total Other Revenues	750	2,087	1,337
Total Revenues	2,635,203	2,672,648	37,445

See Disclaimer in Accompanying Independent Auditors Report.

TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
General Expenses:			
Supplies	\$ 2,750	\$ 1,770	\$ 980
Furnishings	300	0	300
Equipment	3,000	1,925	1,075
Computer	500	1,220	(720)
Office Machine/Service	300	0	300
Advertising	2,000	2,338	(338)
Postage	4,000	3,450	550
Telephone	2,300	2,415	(115)
Pub. Official & Empl. Practices Ins.	11,358	13,021	(1,663)
Rubbish Removal	525	467	58
Miscellaneous	1,500	2,122	(622)
Total General Expenses	28,533	28,728	(195)
Administrator's Office:			
Salaries	78,875	78,637	238
FICA/Medicare	7,424	6,549	875
Health Insurance	15,298	17,048	(1,750)
Retirement	5,817	7,831	(2,014)
Workers Compensation	395	379	16
Disability Insurance	814	736	78
Mileage	1,500	1,583	(83)
Training	250	115	135
Total Administrator's Office	110,373	112,878	(2,505)
Clerk/Treasurer's Office:			
Salaries	82,868	77,639	5,229
FICA/Medicare	6,422	5,630	792
Health Insurance	20,142	18,457	1,685
Retirement	3,949	4,089	(140)
Workers Compensation	395	379	16
Disability Insurance	501	659	(158)
Training	300	300	0
Supplies	3,800	3,853	(53)
Software & Programming	1,400	1,297	103
Equipment	750	411	339
Postage	1,300	1,014	286
Telephone	1,850	1,814	36
Microfilming	550	360	190
Miscellaneous	200	400	(200)
Total Clerk/Treasurer's Office	124,427	116,302	8,125
Listing Department:			
Salaries	17,047	13,492	3,555
FICA/Medicare	1,321	1,032	289
Workers Compensation	198	203	(5)
Mileage	250	307	(57)
Training	250	0	250
Supplies	350	209	141
Software	1,500	1,330	170
Equipment	200	0	200
Postage	400	159	241
Telephone	900	908	(8)
Legal Fees	300	0	300
Professional Fees	500	0	500
Map Maintenance	1,500	2,194	(694)
Miscellaneous	100	0	100
Total Listing Department	24,816	19,834	4,982

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TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Planning & Zoning:			
Salaries	\$ 22,688	\$ 19,755	\$ 2,933
FICA/Medicare	1,758	1,486	272
Health Insurance	822	622	200
Retirement	265	67	198
Workers Compensation	198	203	(5)
Disability Insurance	34	34	0
Mileage	100	0	100
Training	300	60	240
Supplies/Computer	250	617	(367)
Computer & Equipment	1,780	1,305	475
Advertising	650	159	491
Postage	500	131	369
Attorney Fees	3,500	0	3,500
Planning Services	6,000	0	6,000
Printing	200	0	200
Meetings	700	775	(75)
Total Planning & Zoning	39,745	25,214	14,531
Professional Fees:			
Attorney Fees	5,000	29,957	(24,957)
Audit Fees	22,000	27,913	(5,913)
Other Fees	0	15	(15)
Total Professional Fees	27,000	57,885	(30,885)
Town Report/Printing:	1,200	1,214	(14)
Meetings & Elections:			
Election Workers	2,000	2,323	(323)
Election Supplies	2,900	3,150	(250)
Total Meetings & Elections	4,900	5,473	(573)
Town Officers:			
Selectboard Salaries	7,500	5,740	1,760
Collector of Delinquent Taxes	5,228	5,324	(96)
Health Officer	500	0	500
FICA/Medicare	975	781	194
Training	200	60	140
Conservation Commission	350	50	300
Energy Committee	100	0	100
Total Town Officers	14,853	11,955	2,898
Town Parks:			
Supplies	800	42	758
Electricity	1,500	1,491	9
Liability Insurance	2,009	1,787	222
Mowing	11,000	4,965	6,035
Sycamore Park Portolet	440	570	(130)
Maintenance	2,000	4,403	(2,403)
Rubbish Removal	1,450	1,307	143
Tree Planting	0	1,785	(1,785)
Miscellaneous	0	196	(196)
Total Town Parks	19,199	16,546	2,653

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TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Holley Hall:			
Supplies	\$ 1,100	\$ 1,107	\$ (7)
Equipment	250	0	250
Heating Fuel	4,250	5,757	(1,507)
Electricity	4,000	4,934	(934)
Custodial	4,840	6,655	(1,815)
Building Maintenance	6,250	8,627	(2,377)
Liability Insurance	4,290	5,149	(859)
Holley Hall Renovation Bond	53,690	99,994	(46,304)
Sewer Fees	550	693	(143)
Water Fees	300	258	42
	<u>79,520</u>	<u>133,174</u>	<u>(53,654)</u>
Total Holley Hall			
Howden Hall:			
Supplies	200	6	194
Heating Fuel	1,695	2,121	(426)
Electricity	1,600	895	705
Telephone	560	0	560
Liability Insurance	4,017	3,573	444
Maintenance & Custodial	1,550	2,674	(1,124)
Water Fees	225	323	(98)
Debt Service	7,207	7,202	5
	<u>17,054</u>	<u>16,794</u>	<u>260</u>
Total Howden Hall			
Public Safety:			
Dog Officer	1,600	1,300	300
FICA/Medicare	124	99	25
Dog Pound	1,250	1,191	59
Street Lights	28,500	22,873	5,627
Town Traffic Patrol Contract (BPD)	10,000	10,000	0
Police Responses (BPD to Town)	5,000	3,735	1,265
	<u>46,474</u>	<u>39,198</u>	<u>7,276</u>
Total Public Safety			
Fire Department:			
Labor	30,625	29,469	1,156
FICA/Medicare	2,373	2,246	127
Dues	910	900	10
Training	2,700	2,530	170
OSHA Requirements	5,600	2,996	2,604
Supplies	8,860	9,822	(962)
Electricity	8,000	7,702	298
Propane	6,000	5,345	655
Apparatus Fuel & Oil	2,500	2,675	(175)
Telephone	3,600	3,759	(159)
Dispatching	3,850	4,177	(327)
Building Maintenance/Custodial	12,500	19,721	(7,221)
Workers Compensation	4,790	5,533	(743)
Accident & Disability Insurance	2,400	2,133	267
Property Insurance	16,313	13,332	2,981
Water Fees	500	258	242

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TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Fire Department/(Cont'd):			
Hose Service Testing and Replacement	\$ 2,982	\$ 3,491	\$ (509)
Communication Tower Lease	3,477	3,768	(291)
Radios and Pagers (Service & Replace)	6,500	3,360	3,140
Equipment Service Testing & Maintenance	4,500	4,856	(356)
Apparatus/Vehicle Maintenance	25,000	29,878	(4,878)
Bond Payment - 2007 Pumper Tanker	31,722	30,565	1,157
Fire/Bond Payment on Station	143,450	139,510	3,940
Fire Prevention and Education	400	335	65
Miscellaneous	200	2,772	(2,572)
Fire/Uniforms & Apparel	4,000	6,643	(2,643)
Fire Plant, Property and Equipment	13,000	13,146	(146)
Total Fire Department	<u>346,752</u>	<u>350,922</u>	<u>(4,170)</u>
Lawrence Memorial Library:			
Workers Compensation	395	407	(12)
Disability Insurance	589	589	0
Maintenance	250	150	100
Liability Insurance	2,151	2,018	133
Total Lawrence Memorial Library	<u>3,385</u>	<u>3,164</u>	<u>221</u>
Cemetery Care:	<u>3,500</u>	<u>3,909</u>	<u>(409)</u>
Tax Anticipation Interest:	<u>1,100</u>	<u>935</u>	<u>165</u>
Dues, Taxes, Contributions:			
Addison County Regional Planning	4,971	4,971	0
Vermont League of Cities & Towns	5,537	5,537	0
Fourth of July Bristol PD Expense	1,500	0	1,500
Chamber of Commerce	0	175	(175)
Addison County Economic Dev. Corp.	3,500	3,500	0
Holiday Committee	400	0	400
Addison County Tax	14,000	13,427	573
Miscellaneous	0	35	(35)
Total Dues, Taxes, Contributions	<u>29,908</u>	<u>27,645</u>	<u>2,263</u>
Post Closure Monitoring:	<u>4,000</u>	<u>6,886</u>	<u>(2,886)</u>

TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Highway Department:			
Personnel & Insurance:			
Salaries	\$ 259,536	\$ 237,886	\$ 21,650
Overtime	23,500	26,992	(3,492)
FICA/Medicare	21,531	20,629	902
Health Insurance	67,014	74,789	(7,775)
Retirement	20,992	18,824	2,168
Workers Compensation	24,218	23,378	840
Disability Insurance	2,460	1,830	630
Uniforms	2,500	1,671	829
Mileage	400	56	344
Training	600	409	191
Liability Insurance	12,697	12,862	(165)
Total Personnel & Insurance	<u>435,448</u>	<u>419,326</u>	<u>16,122</u>
Equipment:			
Supplies	16,000	12,398	3,602
Parts	13,000	12,501	499
Tires	6,000	1,952	4,048
Fuels	45,000	38,278	6,722
Oil, Anti-freeze	2,500	2,422	78
Purchases/Tools	2,600	790	1,810
Contracted Repairs	15,000	1,882	13,118
Equipment Rentals	500	0	500
Total Equipment	<u>100,600</u>	<u>70,223</u>	<u>30,377</u>
Garage:			
Supplies	5,500	5,179	321
Heating Fuels (East Garage)	4,000	2,190	1,810
Propane (West Garage)	3,000	3,189	(189)
Electricity	3,600	3,689	(89)
Telephone	2,100	2,568	(468)
Pagers	1,000	540	460
Maintenance	2,500	2,710	(210)
Water Fees	300	255	45
Rubbish Removal	600	523	77
Total Garage	<u>22,600</u>	<u>20,843</u>	<u>1,757</u>
Materials & Services:			
Road Gravel	22,000	22,328	(328)
Winter Sand	32,000	24,165	7,835
Salt	50,000	66,778	(16,778)
Chloride	22,000	20,000	2,000
Cold Patch	1,000	1,853	(853)
Culverts	4,500	1,509	2,991
Signs	4,000	1,179	2,821
Tree Work	6,000	5,450	550
Pavement Markings	1,000	914	86
Guard Rail	2,500	2,620	(120)
Ditching	0	1,037	(1,037)
Storm Drainage	1,000	1,990	(990)
Contracted Services	15,000	15,777	(777)
Permits	3,000	0	3,000
Miscellaneous	1,000	729	271
Total Materials & Services	<u>165,000</u>	<u>166,329</u>	<u>(1,329)</u>

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TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Indebtedness			
Stormwater Bond (2010)	\$ 34,920	\$ 34,920	\$ 0
South Street Bridge Replacement	16,974	32,643	(15,669)
Total Indebtedness	51,894	67,563	(15,669)
Total Highway Department	775,542	744,284	31,258
Arts, Parks & Recreation Department:			
General Recreation Department:			
Labor (Director & Assistant)	82,100	61,094	21,006
Contracted Labor	500	0	500
FICA/Medicare	4,363	4,358	5
Health Insurance	9,350	28,307	(18,957)
Retirement	3,422	5,205	(1,783)
Workers Compensation	2,260	2,789	(529)
Disability Insurance	474	863	(389)
Liability Insurance	1,500	0	1,500
Mileage	350	9	341
Training	500	1,098	(598)
Supplies	1,000	1,126	(126)
Equipment	6,000	7,627	(1,627)
Advertising	2,500	1,091	1,409
Facilities Rent	1,100	1,430	(330)
Postage	200	57	143
Telephone	1,700	1,593	107
Holley Hall Custodial	2,800	1,200	1,600
Printing	2,000	1,793	207
Programs	30,300	37,663	(7,363)
Events	4,500	1,611	2,889
Annual Fees	350	53	297
Miscellaneous	300	116	184
Swimming	0	3,393	(3,393)
Total General Recreation Department	157,569	162,476	(4,907)
Youth Center/Skate Park:			
Full Time Labor	21,738	28,734	(6,996)
Part Time Labor	11,962	14,591	(2,629)
FICA	2,224	3,263	(1,039)
Health Insurance	9,350	445	8,905
Retirement	1,234	2,502	(1,268)
Workers Compensation	2,260	2,789	(529)
Disability Insurance	352	322	30
Travel	400	398	2
Hub Rent to Recreation Club	7,200	7,200	0
Supplies	1,000	965	35
Food	2,500	2,333	167
Heat	2,000	1,771	229
Electricity	1,600	1,313	287
Telephone	1,300	1,409	(109)
Programs/Workshops	1,800	1,350	450
Water Fees	275	272	3
Trash Disposal	250	467	(217)
Maintenance	1,000	551	449
Total Youth Center/Skate Park	68,445	70,675	(2,230)

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TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Pottery Studio:			
Labor	\$ 12,800	\$ 12,795	\$ 5
Supplies	850	33	817
Kiln	820	419	401
Heat	1,000	606	394
Electricity	400	395	5
Rent	7,800	7,800	0
Telephone	510	572	(62)
Total Pottery Studio	<u>24,180</u>	<u>22,620</u>	<u>1,560</u>
Total Arts, Parks & Recreation Department	<u>250,194</u>	<u>255,771</u>	<u>(5,577)</u>
Voted Appropriations:			
Capital Equipment Fund	100,000	100,000	0
Capital Fire Equipment Fund	25,000	25,000	0
Capital Technology Fund	5,000	5,000	0
Capital Building Fund	30,000	80,000	(50,000)
Capital Road Fund - Construction	40,000	40,000	0
Capital Road Fund - Paving	100,000	100,000	0
Capital Sidewalk Fund	35,000	52,000	(17,000)
Fire Vehicle Reserve Fund	70,000	70,000	0
Lawrence Memorial Library	137,872	137,872	0
Conservation Reserve Fund	10,000	10,000	0
Bristol Recreation Club	15,000	15,000	0
Bristol Town Band	1,200	1,200	0
Bristol Cemetery Association	22,000	22,000	0
Bristol Fourth of July Committee	6,000	6,000	0
Bristol Historical Society	2,500	2,500	0
Bristol Rescue Squad	13,500	13,500	0
Charter House	2,100	2,100	0
Elderly Services	2,200	2,200	0
Age Well (CVAA)	2,700	2,700	0
Helping Overcome Poverty's Effects (HOPE)	3,250	3,250	0
John Graham Emergency Shelter	1,400	1,400	0
Counseling Service Addison County	3,875	3,875	0
Addison County Home Health & Hospice	4,700	4,700	0
Addison County Parent Child Center	4,800	4,800	0
Bristol Little League	2,000	2,000	0
Hospice Volunteer Services	1,200	1,200	0
Bristol Family Center	4,000	4,000	0
WomenSafe	3,500	3,500	0
New Haven River Watch	300	300	0
Vermont Adult Learning	1,650	1,650	0
Retired Senior Volunteer Prog.	750	750	0
Bristol After School Kid's Program	1,275	1,275	0
Addison County Transit Resources	11,306	11,306	0
Open Door Clinic	1,000	1,000	0
Northeast Addison TV (NEAT)	3,500	3,500	0
BDCP/CORE	10,000	10,000	0
Addison County Readers Program	2,000	2,000	0
Addison County Humane Society	1,000	1,000	0
Addison County Restorative Justice	1,150	1,150	0
Total Voted Appropriations	<u>682,728</u>	<u>749,728</u>	<u>(67,000)</u>
Total Expenditures	<u>2,635,203</u>	<u>2,728,439</u>	<u>(93,236)</u>

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TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Excess/(Deficiency) of Revenues Over Expenditures	\$ <u>0</u>	\$ (55,791)	\$ <u>(55,791)</u>
Adjustments to Reconcile from the Budgetary Basis of Accounting to the Modified Accrual Basis of Accounting:			
Stoney Hill Sale Revenues		310,922	
Stoney Hill Sale Expenses		(1,551)	
A. Johnson Estate Revenues		103,149	
Net Change in Fund Balance		356,729	
Fund Balance - July 1, 2018		340,979	
Fund Balance - June 30, 2019		\$ 697,708	

The reconciling items are due to combining two (2) funds, the Stoney Hill Sale Fund and the A. Johnson Estate Fund with the General Fund in order to comply with GASB Statement No. 54.

TOWN OF BRISTOL, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$ 422,974	\$ 422,974	\$ 0
Detail Revenues	3,500	2,858	(642)
Town Traffic Patrol Contract	10,000	10,000	0
MAUHS Contract	8,000	8,072	72
Non-District Service Fees	5,400	4,365	(1,035)
Fines	9,000	4,692	(4,308)
Miscellaneous	2,500	3,445	945
GHSP Grant	0	864	864
Internet Crimes Against Children Grant	0	3,868	3,868
Total Revenues	461,374	461,138	(236)
Expenditures:			
Full-time Salaries	161,242	168,373	(7,131)
Part-time Salaries	19,179	20,711	(1,532)
Detail Labor	2,800	1,000	1,800
Clerical	9,171	5,225	3,946
Administration	5,731	5,305	426
Overtime & Shift Differential	34,920	17,085	17,835
FICA/MEDI	17,400	16,716	684
Health Insurance	47,899	44,282	3,617
Retirement	14,347	15,035	(688)
Worker's Compensation	37,541	36,836	705
Disability Insurance	1,605	1,700	(95)
Uniforms	1,200	2,176	(976)
Training	2,500	352	2,148
Computer	3,800	3,792	8
Office Supplies	2,500	1,465	1,035
Equipment	1,000	37	963
General Supplies	750	772	(22)
Vehicle Gas/Oil	7,500	7,196	304

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TOWN OF BRISTOL, VERMONT
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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:/(Cont'd)			
Advertising	\$	\$	\$ 0
Vehicle Maintenance	5,500	5,419	81
Facility Expenses	43,000	42,830	170
Postage	270	232	38
Communications	10,441	10,385	56
Legal Expenses	1,000	9,424	(8,424)
Property & Liability Insurance	14,178	12,087	2,091
Capital Vehicle Reserve	12,500	12,500	0
Capital Equipment Reserve	3,000	3,000	0
Miscellaneous	200	243	(43)
Crime Prevention	200	0	200
Internet Crimes Against Children			
Grant Expenses	<u>0</u>	<u>3,061</u>	<u>(3,061)</u>
Total Expenditures	<u>461,374</u>	<u>447,239</u>	<u>14,135</u>
Excess of Revenues			
Over Expenditures	<u>\$ 0</u>	13,899	<u>\$ 13,899</u>
Fund Balance - July 1, 2018		<u>61,369</u>	
Fund Balance - June 30, 2019		<u>\$ 75,268</u>	

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TOWN OF BRISTOL, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VMERS DEFINED BENEFIT PLAN
 JUNE 30, 2019

	2019	2018	2017	2016	2015
Total Plan Net Pension Liability	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
Town's Proportion of the Net Pension Liability	0.3005%	0.3321%	0.3196%	0.3387%	0.3590%
Town's Proportionate Share of the Net Pension Liability	\$ 422,774	\$ 402,374	\$ 411,291	\$ 261,155	\$ 32,764
Town's Covered Employee Payroll	\$ 728,659	\$ 726,067	\$ 748,097	\$ 675,956	\$ 682,595
Town's Proportionate Share of the Net Pension Liability as a Percentage of Town's Covered Employee Payroll	58.0208%	55.4183%	54.9783%	38.6349%	4.7999%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to Schedule

Benefit Changes: None.

Changes in Assumptions and Methods: None.

Fiscal year 2015 was the first year of implementation, therefore, only five years are shown.

TOWN OF BRISTOL, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 53,739	\$ 52,641	\$ 54,237	\$ 48,573	\$ 47,351
Contributions in Relation to the Actuarially Determined Contributions	<u>53,739</u>	<u>52,641</u>	<u>54,237</u>	<u>48,573</u>	<u>47,351</u>
Contribution Excess/(Deficiency)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's Covered Employee Payroll	\$ 728,659	\$ 726,067	\$ 748,097	\$ 675,956	\$ 682,595
Contributions as a Percentage of Town's Covered Employee Payroll	7.375%	7.250%	7.250%	7.186%	6.937%

Notes to Schedule

Valuation Date: June 30, 2018

Fiscal year 2015 was the first year of implementation, therefore, only five years are shown.

Sullivan, Powers & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
"Government Auditing Standards"

Selectboard
Town of Bristol, Vermont
P.O. Box 249
Bristol, Vermont 05443

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bristol, Vermont, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Bristol, Vermont's basic financial statements, and have issued our report thereon dated May 1, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bristol, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bristol, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bristol, Vermont's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control, we identified a certain deficiency in internal control that we consider to be a material weakness and another that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Bristol, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2019-01 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2019-02 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bristol, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

We also noted certain other matters that we reported to the management of the Town of Bristol, Vermont in a separate letter dated May 1, 2020.

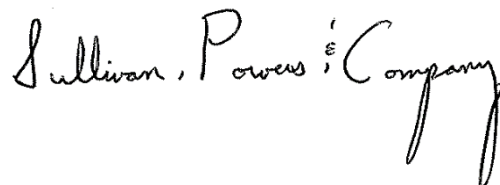
Town of Bristol, Vermont's Response to Deficiencies in Internal Control

The Town of Bristol, Vermont's response to the deficiencies in internal control identified in our audit is included with the accompanying Schedule of Findings and Deficiencies in Internal Control. The Town of Bristol, Vermont's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bristol, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Bristol, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 1, 2020
Montpelier, Vermont
VT Lic. #92-000180



TOWN OF BRISTOL, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2019

Deficiencies in Internal Control:

Material Weaknesses:

2019-01 Reconciliation of Balance Sheet Accounts

Criteria:

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

Condition:

A number of the Town's balance sheet accounts were not reconciled to the actual balances at year end which resulted in various adjustments to revenue and expenses.

Cause:

Unknown.

Effect:

The Town's account balances were incorrect.

Recommendation:

We recommend that all balance sheet accounts be reconciled to supporting documentation at least monthly in order to detect and correct errors.

Significant Deficiencies:

2019-02 Review and Approval of General Journal Entries

Criteria:

Internal controls should be in place that requires appropriate officials to review and authorize all adjustments to the books of original entry to ensure that the adjustments are valid and appropriate.

Condition:

It is the policy of the Town to require the Town Administrator to review and authorize adjustments to the books of original entry. However, multiple journal entries were missing approval and supporting documentation and were made to incorrect general ledger accounts which resulted in additional adjustments.

TOWN OF BRISTOL, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2019

Cause:

Unknown.

Effect:

This deficiency in the internal control structure could allow other working control policies to be circumvented.

Recommendation:

We recommend that the Town require appropriate officials to review all general journal entries to ensure that they are valid, appropriate and properly supported.

**Town of Bristol
Management Response
June 30, 2019 Audit Report**

2019-01 Reconciliation of Balance Sheet Accounts

Finding: A number of the Town's balance sheet accounts were not reconciled to the actual balances at year end which resulted in various adjustments to revenue and expenses.

Recommendation: The balance sheet accounts be reconciled to supporting documentation at least monthly in order to detect and correct errors.

Management Response: The Treasurer's Office agrees with the recommendation and will make it part of our monthly duties and responsibilities to complete this task.

2018-02 Review and Approval of General Journal Entries

Finding: Internal controls should be in place that requires appropriate officials to review and authorize all adjustments to the books of original entry to ensure that the adjustments are valid and appropriate.

Recommendation: We recommend that the Town require appropriate officials to review all general journal entries to ensure that they are valid, appropriate and properly supported.

Management Response: The Treasurer's Office has purchased a "prepared by and approved by stamp" which will be put on all entries made. If the Treasurer makes the entry the Assistant Treasurer will review and approve the entry, then file. If the Assistant Treasurer makes the entry, the Treasurer will review and approve the entry, then file.