

Audited Financial Statements and
Other Financial Information

Town of Bristol, Vermont

June 30, 2021
Revised Final 11-21-2022



Proven Expertise & Integrity

TOWN OF BRISTOL, VERMONT

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JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Bristol
Bristol, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2021 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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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 opinion.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bristol, Vermont as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 4 through 11 and 56 through 60 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bristol, Vermont's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022 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.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
November 21, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

(UNAUDITED)

The following management's discussion and analysis of the Town of Bristol, Vermont's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2021. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

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. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include 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 also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

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

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, Lawrence Memorial library, public works, recreation, community development, post-closure monitoring, dues, taxes and contributions, cemetery and unclassified.
- *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/or services. These activities for the Town of Bristol include the Water and Sewer Funds.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bristol, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Bristol can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues,

expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Bristol presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, revolving loan fund, police fund and capital roads funds. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Bristol maintains two proprietary funds, the Water Fund and Sewer Fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Cash Flows - Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pension and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental and business-type activities. The Town's total net position for governmental activities increased by \$746,995 from \$7,209,315 to \$7,956,310. For business-type activities, the Town's total net position increased by \$5,997 from \$817,276 to \$823,273.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - for the governmental activities decreased to a balance of \$29,634 at the end of the fiscal year. The business-type activities unrestricted net position increased to a balance of \$24,093.

Table 1
Town of Bristol, Vermont
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2020		2021	2020
	2021	(Restated)		
Assets:				
Current Assets	\$ 2,701,797	\$ 2,979,788	\$ 47,232	\$ 31,510
Noncurrent Assets - Capital Assets	9,770,968	9,053,611	2,067,341	2,141,216
Total Assets	12,472,765	12,033,399	2,114,573	2,172,726
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	262,216	164,498	7,526	4,721
Total Deferred Outflows of Resources	262,216	164,498	7,526	4,721
Liabilities:				
Current Liabilities	450,915	571,808	67,598	77,326
Noncurrent Liabilities	4,212,497	4,152,980	1,229,968	1,281,862
Total Liabilities	4,663,412	4,724,788	1,297,566	1,359,188
Deferred Inflows of Resources:				
Prepaid Taxes	38,387	20,608	-	-
Deferred revenues	32,979	182,340	-	-
Deferred Inflows Related to Pensions	43,893	34,246	1,260	983
Total Deferred Inflows of Resources	115,259	237,194	1,260	983
Net Position:				
Net Investment in Capital Assets	6,398,777	5,395,486	799,180	806,033
Restricted: Revolving Loan Fund	372,616	373,834	-	-
Police Fund	156,275	120,843	-	-
Nonmajor Special Revenue Funds	606,196	560,877	-	-
Nonmajor Capital Project Funds	262,789	60,313	-	-
Nonmajor Permanent Funds	130,023	109,842	-	-
Unrestricted	29,634	588,120	24,093	11,243
Total Net Position	\$ 7,956,310	\$ 7,209,315	\$ 823,273	\$ 817,276

Table 2
Town of Bristol, Vermont
Change in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 187,718	\$ 207,232	\$ 386,363	\$ 363,026
Operating grants and contributions	-	887,242	-	-
<i>General Revenues:</i>				
Taxes	3,034,799	2,802,417	-	-
Grants and contributions not restricted to specific programs	198,473	101,931	-	-
Miscellaneous	509,582	56,232	1,980	92
Total Revenues	3,930,572	4,055,054	388,343	363,118
Expenses				
General government	645,117	575,755	-	-
Public safety	332,329	776,449	-	-
Lawrence Memorial library	11,660	-	-	-
Public works	110,851	988,990	-	-
Recreation	251,456	526,230	-	-
Community development	80,000	1,377	-	-
Post-closure monitoring	8,336	-	-	-
Dues, taxes and contributions	31,312	-	-	-
Cemetery	2,545	32,140	-	-
Unclassified	511,347	-	-	-
Interest on long-term debt	59,795	85,873	-	-
Capital outlay	1,138,829	-	-	-
Water	-	-	336,549	333,700
Sewer	-	-	45,797	51,241
Total Expenses	3,183,577	2,986,814	382,346	384,941
Change in Net Position	746,995	1,068,240	5,997	(21,823)
Net Position - July 1. Restated	7,209,315	6,167,675	817,276	839,099
Net Position - June 30	\$ 7,956,310	\$ 7,235,915	\$ 823,273	\$ 817,276

Revenues and Expenses

Revenues for the Town of Bristol's governmental activities decreased by 3.07%, while total expenses increased by 6.59%. The decrease in revenues was primarily due to operating grants and contributions and the increase in expenses was primarily due to capital outlay.

Revenues for the business-type activities increased by 6.95% while total expenses decreased by 0.67%.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Town of Bristol, Vermont
Fund Balances - Governmental Funds
June 30,

	2021	2020	Increase/ (Decrease)
General Fund:			
Nonspendable	\$ 104,456	\$ 108,282	\$ (3,826)
Unassigned	348,186	103,899	244,287
Total General Fund	<u>\$ 452,642</u>	<u>\$ 212,181</u>	<u>\$ 240,461</u>
Revolving Loan Fund:			
Restricted	\$ 372,616	\$ 373,834	\$ (1,218)
Total Revolving Loan Fund	<u>\$ 372,616</u>	<u>\$ 373,834</u>	<u>\$ (1,218)</u>
Police Fund:			
Restricted	\$ 156,275	\$ 120,843	\$ 35,432
Total Police Fund	<u>\$ 156,275</u>	<u>\$ 120,843</u>	<u>\$ 35,432</u>
Capital Roads Fund:			
Committed	\$ 36,530	\$ 172,177	\$ (135,647)
Total Capital Roads Fund	<u>\$ 36,530</u>	<u>\$ 172,177</u>	<u>\$ (135,647)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 606,196	\$ 560,877	\$ 45,319
Unassigned	(26,341)	(26,567)	226
Capital Projects Funds:			
Restricted	262,789	60,313	202,476
Committed	358,724	729,383	(370,659)
Unassigned	(338,403)	(163,946)	(174,457)
Permanent Funds:			
Nonspendable	17,700	17,700	-
Restricted	112,323	109,842	2,481
Total Nonmajor Funds	<u>\$ 992,988</u>	<u>\$ 1,287,602</u>	<u>\$ (294,614)</u>

The changes in total fund balances for the general fund, revolving loan fund, police fund, capital roads fund and the nonmajor funds occurred due to the regular activity of operations.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

The Water Fund had an increase in the net position for the fiscal year of \$2,011 to \$588,780.

The Sewer Fund had an increase in the net position for the fiscal year of \$3,986 to \$234,493.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budgeted amounts by \$173,992. All revenue categories were receipted in excess of budgeted amounts with the exception of charges for services and investment income.

The general fund actual expenditures were within or under budgeted amounts by \$66,469. All expenditure categories were within or under budgeted amounts with the exception of general government, Lawrence Memorial library, post-closure monitoring, dues, taxes and contributions, debt service - principal and debt service - interest.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the net book value of capital assets recorded by the Town increased by \$643,482 from the prior year. The increase is the result of net capital additions of \$1,106,507, less current year depreciation of \$463,025.

**Table 4
Town of Bristol, Vermont
Capital Assets (Net of Depreciation)
June 30,**

	2021	2020
Land	\$ 237,300	\$ 237,300
Construction in progress	466,292	185,477
Buildings, building improvements and land improvements	3,703,813	3,822,248
Machinery, equipment and vehicles	913,398	842,117
Infrastructure	6,517,506	6,107,685
Total	\$ 11,838,309	\$ 11,194,827

Debt

At June 30, 2021, the Town had \$4,640,352 in bonds payable versus last year of \$4,994,471. Refer to Note 7 of the Notes to the Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

The Town of Bristol also noted a subsequent event as a currently known fact. Refer to Note 24 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance has fallen below a level sufficient to sustain government operations for less than a period of two months. However, the Town continues to maintain significant reserves for future operations, capital and program needs.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at 1 South Street, Bristol, Vermont 05443.

TOWN OF BRISTOL, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,801,664	\$ 121,912	\$ 1,923,576
Investments	124,642	-	124,642
Accounts receivable (net of allowance for uncollectibles):			
Taxes	199,608	-	199,608
Other	12,145	90,497	102,642
Loans receivable (net of allowance for uncollectibles)	283,326	-	283,326
Prepaid items	104,456	10,779	115,235
Internal balances	175,956	(175,956)	-
Total current assets	<u>2,701,797</u>	<u>47,232</u>	<u>2,749,029</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	682,592	21,000	703,592
Depreciable assets, net of accumulated depreciation	9,088,376	2,046,341	11,134,717
Total noncurrent assets	<u>9,770,968</u>	<u>2,067,341</u>	<u>11,838,309</u>
TOTAL ASSETS	<u>12,472,765</u>	<u>2,114,573</u>	<u>14,587,338</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	262,216	7,526	269,742
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>262,216</u>	<u>7,526</u>	<u>269,742</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 12,734,981</u>	<u>\$ 2,122,099</u>	<u>\$ 14,857,080</u>

STATEMENT A (CONTINUED)
TOWN OF BRISTOL, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 200,318	\$ -	\$ 200,318
Accrued expenses	44,733	305	45,038
Accrued interest payable	21,321	6,524	27,845
Unearned revenues	-	794	794
Current portion of long-term obligations	184,543	59,975	244,518
Total current liabilities	<u>450,915</u>	<u>67,598</u>	<u>518,513</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	3,204,546	1,211,610	4,416,156
Landfill post-closure liability	310,136	-	310,136
Accrued compensated absences	58,176	-	58,176
Net pension liability	639,639	18,358	657,997
Total noncurrent liabilities	<u>4,212,497</u>	<u>1,229,968</u>	<u>5,442,465</u>
TOTAL LIABILITIES	<u>4,663,412</u>	<u>1,297,566</u>	<u>5,960,978</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	38,387	-	38,387
Deferred revenues	32,979	-	32,979
Deferred inflows related to pensions	43,893	1,260	45,153
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>115,259</u>	<u>1,260</u>	<u>116,519</u>
NET POSITION			
Net investment in capital assets	6,398,777	799,180	7,197,957
Restricted:			
Revolving Loan Fund	372,616	-	372,616
Police Fund	156,275	-	156,275
Nonmajor Special Revenue Funds	606,196	-	606,196
Nonmajor Capital Project Funds	262,789	-	262,789
Nonmajor Permanent Funds	130,023	-	130,023
Unrestricted	29,634	24,093	53,727
TOTAL NET POSITION	<u>7,956,310</u>	<u>823,273</u>	<u>8,779,583</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 12,734,981</u>	<u>\$ 2,122,099</u>	<u>\$ 14,857,080</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 645,117	\$ 121,428	\$ -	\$ -	\$ (523,689)	\$ -	\$ (523,689)
Public safety	332,329	9,149	-	-	(323,180)	-	(323,180)
Lawrence Memorial library	11,660	-	-	-	(11,660)	-	(11,660)
Public works	110,851	3,315	-	-	(107,536)	-	(107,536)
Recreation	251,456	53,826	-	-	(197,630)	-	(197,630)
Community development	80,000	-	-	-	(80,000)	-	(80,000)
Post-closure monitoring	8,336	-	-	-	(8,336)	-	(8,336)
Dues, taxes and contributions	31,312	-	-	-	(31,312)	-	(31,312)
Cemetery	2,545	-	-	-	(2,545)	-	(2,545)
Unclassified	511,347	-	-	-	(511,347)	-	(511,347)
Interest on long-term debt	59,795	-	-	-	(59,795)	-	(59,795)
Capital outlay	1,138,829	-	-	-	(1,138,829)	-	(1,138,829)
Total governmental activities	<u>3,183,577</u>	<u>187,718</u>	<u>-</u>	<u>-</u>	<u>(2,995,859)</u>	<u>-</u>	<u>(2,995,859)</u>
Business-type activities:							
Water fund	336,549	336,600	-	-	-	51	51
Sewer fund	45,797	49,763	-	-	-	3,966	3,966
Total business-type activities	<u>382,346</u>	<u>386,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,017</u>	<u>4,017</u>
Total government	<u>\$ 3,565,923</u>	<u>\$ 574,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,995,859)</u>	<u>4,017</u>	<u>(2,991,842)</u>

STATEMENT B (CONTINUED)
TOWN OF BRISTOL, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities	Business- type Activities	Total
Changes in net position:			
Net (expense) revenue	(2,995,859)	4,017	(2,991,842)
General revenues:			
Taxes, levied for general purposes	3,034,799	-	3,034,799
Grants and contributions not restricted to specific programs	198,473	-	198,473
Miscellaneous	509,582	1,980	511,562
Total general revenues and transfers	3,742,854	1,980	3,744,834
CHANGE IN NET POSITION	746,995	5,997	752,992
NET POSITION - JULY 1, RESTATED	7,209,315	817,276	8,026,591
NET POSITION - JUNE 30	\$ 7,956,310	\$ 823,273	\$ 8,779,583

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Revolving Loan Fund	Police Fund	Capital Roads Funds	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 257,882	\$ 369,738	\$ -	\$ 36,530	\$ 1,137,514	\$ 1,801,664
Investments	-	-	-	-	124,642	124,642
Accounts receivable (net of allowance for uncollectibles):						
Taxes	199,608	-	-	-	-	199,608
Other	5,457	-	4,688	-	2,000	12,145
Loans receivable (net of allowance for uncollectibles)	-	283,326	-	-	-	283,326
Prepaid items	104,456	-	-	-	-	104,456
Due from other funds	591,845	-	155,856	-	141,363	889,064
TOTAL ASSETS	\$ 1,159,248	\$ 653,064	\$ 160,544	\$ 36,530	\$ 1,405,519	\$ 3,414,905
LIABILITIES						
Accounts payable	\$ 195,888	\$ -	\$ -	\$ -	\$ 4,430	\$ 200,318
Accrued expenses	40,464	-	4,269	-	-	44,733
Due to other funds	325,571	-	-	-	387,537	713,108
TOTAL LIABILITIES	561,923	-	4,269	-	391,967	958,159
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes	38,387	-	-	-	-	38,387
Property taxes	93,881	-	-	-	-	93,881
Unavailable loans receivable	-	280,448	-	-	-	280,448
Deferred revenues	12,415	-	-	-	20,564	32,979
TOTAL DEFERRED INFLOWS OF RESOURCES	144,683	280,448	-	-	20,564	445,695
FUND BALANCES						
Nonspendable	104,456	-	-	-	17,700	122,156
Restricted	-	372,616	156,275	-	981,308	1,510,199
Committed	-	-	-	36,530	358,724	395,254
Assigned	-	-	-	-	-	-
Unassigned	348,186	-	-	-	(364,744)	(16,558)
TOTAL FUND BALANCES	452,642	372,616	156,275	36,530	992,988	2,011,051
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,159,248	\$ 653,064	\$ 160,544	\$ 36,530	\$ 1,405,519	\$ 3,414,905

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 2,011,051
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, net of accumulated depreciation	9,770,968
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	93,881
Loans receivable	280,448
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	262,216
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(3,372,191)
Accrued compensated absences	(61,238)
Net pension liability	(639,639)
Post closure landfill liability	(323,972)
Accrued interest payable	(21,321)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(43,893)</u>
Net position of governmental activities	<u>\$ 7,956,310</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Revolving Loan Fund	Police Fund	Capital Roads Funds	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 2,638,898	\$ -	\$ 403,020	\$ -	\$ -	\$ 3,041,918
Intergovernmental	198,473	-	-	-	-	198,473
Charges for services	140,564	-	47,154	-	-	187,718
Investment income, net of realized/unrealized gains/(losses)	438	-	-	55	4,266	4,759
Loan repayments	-	78,782	-	-	-	78,782
Miscellaneous revenues	28,439	-	-	-	408,128	436,567
TOTAL REVENUES	3,006,812	78,782	450,174	55	412,394	3,948,217
EXPENDITURES						
Current:						
General government	526,465	-	-	-	-	526,465
Public safety	184,315	-	399,242	-	-	583,557
Lawrence Memorial library	11,660	-	-	-	-	11,660
Public works	685,507	-	-	-	-	685,507
Recreation	243,914	-	-	-	-	243,914
Community development	-	80,000	-	-	-	80,000
Post-closure monitoring	8,336	-	-	-	-	8,336
Dues, taxes and contributions	31,312	-	-	-	-	31,312
Cemetery	2,545	-	-	-	-	2,545
Unclassified	279,966	-	-	-	231,381	511,347
Debt service:						
Principal	214,175	-	-	-	-	214,175
Interest	66,156	-	-	-	-	66,156
Capital outlay	-	-	-	300,702	838,127	1,138,829
TOTAL EXPENDITURES	2,254,351	80,000	399,242	300,702	1,069,508	4,103,803
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	752,461	(1,218)	50,932	(300,647)	(657,114)	(155,586)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	165,000	362,500	527,500
Transfers (out)	(512,000)	-	(15,500)	-	-	(527,500)
TOTAL OTHER FINANCING SOURCES (USES)	(512,000)	-	(15,500)	165,000	362,500	-
NET CHANGE IN FUND BALANCES	240,461	(1,218)	35,432	(135,647)	(294,614)	(155,586)
FUND BALANCES - JULY 1	212,181	373,834	120,843	172,177	1,287,602	2,166,637
FUND BALANCES - JUNE 30	\$ 452,642	\$ 372,616	\$ 156,275	\$ 36,530	\$ 992,988	\$ 2,011,051

See accompanying independent auditor's report and notes to financial statements.

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, 2021

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (155,586)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,085,507
Depreciation expense	<u>(368,150)</u>
	<u>717,357</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported:	
Taxes and liens receivable	(7,119)
Loans receivable	<u>(10,526)</u>
	<u>(17,645)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>97,718</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>314,234</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	
	<u>(28,300)</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	
	<u>(9,647)</u>
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:	
Accrued compensated absences	(14,834)
Net pension liability	(167,931)
Post closure landfill liability	5,268
Accrued interest payable	<u>6,361</u>
	<u>(171,136)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 746,995</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Enterprise Funds				
	Water		Sewer		Total
	Operating	Capital	Operating	Capital	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 94,545	\$ -	\$ 27,367	\$ 121,912
Accounts receivable (net of allowance for uncollectibles)	75,765	-	14,732	-	90,497
Prepaid items	10,117	-	662	-	10,779
Due from other funds	-	22,852	-	5,500	28,352
Total current assets	85,882	117,397	15,394	32,867	251,540
Noncurrent assets:					
Capital assets:					
Construction in progress	21,000	-	-	-	21,000
Machinery and equipment	30,879	-	-	-	30,879
Vehicles	34,364	-	-	-	34,364
Infrastructure	3,084,145	-	583,262	-	3,667,407
Less: accumulated depreciation	(1,351,038)	-	(335,271)	-	(1,686,309)
Total noncurrent assets	1,819,350	-	247,991	-	2,067,341
TOTAL ASSETS	1,905,232	117,397	263,385	32,867	2,318,881
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	6,016	-	1,510	-	7,526
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,016	-	1,510	-	7,526
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,911,248	\$ 117,397	\$ 264,895	\$ 32,867	\$ 2,326,407

TOWN OF BRISTOL, VERMONT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Water		Sewer		Total
	Operating	Capital	Operating	Capital	
LIABILITIES					
Current liabilities:					
Accrued expenses	\$ 247	\$ -	\$ 58	\$ -	\$ 305
Unearned revenue	794	-	-	-	794
Accrued interest payable	6,393	-	131	-	6,524
Due to other funds	179,655	-	24,653	-	204,308
Current portion of long-term obligations	59,975	-	-	-	59,975
Total current liabilities	<u>247,064</u>	<u>-</u>	<u>24,842</u>	<u>-</u>	<u>271,906</u>
Noncurrent liabilities:					
Noncurrent portion of long-term obligations:					
Bonds payable	1,177,120	-	34,490	-	1,211,610
Net pension liability	14,674	-	3,684	-	18,358
Total noncurrent liabilities	<u>1,191,794</u>	<u>-</u>	<u>38,174</u>	<u>-</u>	<u>1,229,968</u>
TOTAL LIABILITIES	<u>1,438,858</u>	<u>-</u>	<u>63,016</u>	<u>-</u>	<u>1,501,874</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	1,007	-	253	-	1,260
TOTAL DEFERRED INFLOWS OR RESOURCES	<u>1,007</u>	<u>-</u>	<u>253</u>	<u>-</u>	<u>1,260</u>
NET POSITION					
Net investment in capital assets	585,915	-	213,265	-	799,180
Unrestricted	(114,532)	117,397	(11,639)	32,867	24,093
TOTAL NET POSITION	<u>471,383</u>	<u>117,397</u>	<u>201,626</u>	<u>32,867</u>	<u>823,273</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 1,911,248</u>	<u>\$ 117,397</u>	<u>\$ 264,895</u>	<u>\$ 32,867</u>	<u>\$ 2,326,407</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds				Total
	Water		Sewer		
	Operating Fund	Capital Fund	Operating Fund	Capital Fund	
OPERATING REVENUES					
Charges for services:					
User fees	\$ 333,488	\$ -	\$ 49,763	\$ -	\$ 383,251
Interest and penalties	3,112	-	-	-	3,112
Miscellaneous revenues	1,874	-	-	-	1,874
TOTAL OPERATING REVENUES	338,474	-	49,763	-	388,237
OPERATING EXPENSES					
Wages and benefits	17,814	-	3,960	-	21,774
Professional services	121,231	3,742	10,060	-	135,033
Supplies	31,266	-	117	-	31,383
Utilities	36,266	-	-	-	36,266
Insurance	1,334	-	203	-	1,537
Maintenance and repairs	5,956	-	14,910	-	20,866
Testing	2,255	-	460	-	2,715
Depreciation	80,401	-	14,474	-	94,875
Other operating expenses	4,453	-	17	-	4,470
Capital outlay	4,588	-	-	-	4,588
TOTAL OPERATING EXPENSES	305,564	3,742	44,201	-	353,507
OPERATING INCOME (LOSS)	32,910	(3,742)	5,562	-	34,730
NONOPERATING REVENUES (EXPENSES)					
Transfers from other funds	21,000	28,064	-	5,500	54,564
Transfers to other funds	(28,064)	(21,000)	(5,500)	-	(54,564)
Interest income	-	86	-	20	106
Interest expense	(27,243)	-	(1,596)	-	(28,839)
TOTAL NONOPERATING REVENUES (EXPENSES)	(34,307)	7,150	(7,096)	5,520	(28,733)
CHANGE IN NET POSITION	(1,397)	3,408	(1,534)	5,520	5,997
NET POSITION - JULY 1	472,780	113,989	203,160	27,347	817,276
NET POSITION - JUNE 30	\$ 471,383	\$ 117,397	\$ 201,626	\$ 32,867	\$ 823,273

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 349,560	\$ 51,208	\$ 400,768
Other receipts	1,874	-	1,874
Internal activity - receipts (payments) from/to other funds	(30,542)	(8,447)	(38,989)
Payments to employees	(17,094)	(3,767)	(20,861)
Payments to suppliers	(222,123)	(26,761)	(248,884)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	81,675	12,233	93,908
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest paid on long-term debt	(27,243)	(1,596)	(28,839)
Capital asset additions	(21,000)	-	(21,000)
Principal payments on long-term debt	(56,621)	(10,401)	(67,022)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(104,864)	(11,997)	(116,861)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	86	20	106
Net cash provided (used) by investing activities	86	20	106
NET CHANGE IN CASH AND CASH EQUIVALENTS	(23,103)	256	(22,847)
CASH AND CASH EQUIVALENTS - JULY 1	113,989	27,347	141,336
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 90,886	\$ 27,603	\$ 118,489
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 29,168	\$ 5,562	\$ 34,730
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	80,401	14,474	94,875
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	13,177	1,445	14,622
(Increase) decrease in prepaid items	(10,117)	(662)	(10,779)
(Increase) decrease in due from other funds	(22,852)	(5,500)	(28,352)
(Increase) decrease in deferred outflows of resources	(2,243)	(562)	(2,805)
Increase (decrease) in accounts payable	(814)	(308)	(1,122)
Increase (decrease) in accrued liabilities	(101)	(24)	(125)
Increase (decrease) in unearned revenue	(217)	-	(217)
Increase (decrease) in due to other funds	(7,690)	(2,947)	(10,637)
Increase (decrease) in net pension liability	3,853	967	4,820
Increase (decrease) in deferred inflows of resources	221	56	277
Increase (decrease) in accrued compensated absences	(1,111)	(268)	(1,379)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 81,675	\$ 12,233	\$ 93,908
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	\$ 27,243	\$ 1,596	\$ 28,839

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Bristol was incorporated under the laws of the State of Vermont. The Town operates under the Selectboard-manager form of government and provides the following services: general government, public safety, Lawrence Memorial library, public works, recreation, community development, post-closure monitoring, dues, taxes and contributions, cemetery and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Vermont, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March of 2020, the Governor of Vermont issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Vermont to those necessary to obtain or provide essential services or activities. See Executive Order 01-20 and its addendums. The state of emergency expired on June 15, 2021.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on Finances

The Town does not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security (“CARES”) Act, American Rescue Plan Act (“ARPA”) funding and applicable Federal and/or State programs.

Revolving Loan Fund payments were suspended from March 26, 2020 through June 30, 2020 which affects the income of the town. Interest only payments were received for the period July 1, 2020 to September 30, 2020. On October 1, 2020 regular principal and interest payments were resumed. The maturity of the notes was extended by 120 days and principal and interest payments were recalculated.

Expected Federal/State Support

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

Implementation of New Accounting Standards

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 84 “Fiduciary Activities”. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 "Replacement of Interbank Offered Rates (paragraphs 4-11a)." The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Water and Sewer Funds are categorized as business-type activities. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major funds:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Revolving Loan Fund is used to account for monies loaned to businesses within the Town. The main source of revenues is the loan repayments.
- c. The Police Fund is used to account for taxes and other revenue for public safety services provided to taxpayers in specific areas of the Town. The primary sources of revenues is property taxes and charges for services.
- d. The Capital Roads Funds are used to account for monies transferred from other funds on an annual basis to be used for road improvements. The primary source of revenues is interfund transfers.

Nonmajor funds:

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, infrastructure and/or equipment.
- g. Permanent Funds are used to account for assets held by the Town that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e., interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

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.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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.

1. Accrual

Governmental activities in the government-wide financial statements and proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. In the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. A Town meeting of the residents of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

Receivables

Receivables include amounts due for Special Revenue, Police and Enterprise funds primarily. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts in the water fund is estimated to be \$8,000 as of June 30, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$102,642 for the year ended June 30, 2021. Loans receivable netted with allowances for uncollectible accounts were \$283,326 for the year ended June 30, 2021.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town is currently working on completing its fixed asset inventory.

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 10,000	N/A
Building and improvements	20,000	40 years
Machinery and equipment	2,000	7-15 years
Vehicles	2,000	5-10 years
Infrastructure	20,000	40 years
Distribution and collection systems	10,000	40 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term debt consists of bonds payable, notes from direct borrowings, accrued compensated absences, landfill post-closure liability, accrued interest payable and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by the taxpayers and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Vermont Municipal Employees' Retirement System (VMERS) Plan and additions to/deductions from the VMERS Plan's fiduciary net position have been determined on the same basis as they are reported by the VMERS Plan. 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.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times 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/expenditure) until then. The Town has only one type of this item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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. Deferred property tax revenues and unavailable loans receivable, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, these items are reported in the governmental funds balance sheet. Prepaid taxes and deferred revenues also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied on July 15, 2020 on the assessed value listed as of April 1, annually, for all real property located in the Town. Taxes were due in two installments on November 5 and April 5. Interest accrues at 0.75% per month until three months following the final payment at which point 1.25%

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

per month for each month thereafter. An 8% penalty fee is added to the entire unpaid principal tax balance after May 15.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2021, the Town's cash and cash equivalents balance of \$1,923,576 was comprised of bank deposits and cash equivalents amounting to \$1,623,594. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. All of these deposits were insured by federal depository insurance or collateralized and consequently were not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	\$ 1,256,621
Savings accounts	35,081
Municipal investment accounts	331,892
	\$ 1,623,594

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$124,642 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2021, the Town's investments of \$124,642 were comprised of certificates of deposit. The certificates of deposits were fully insured by federal depository insurance and NCUA and consequently was not exposed to custodial credit risk.

Credit risk - Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other States and

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 591,845	\$ 325,571
Police Fund	155,856	-
Nonmajor Special Revenue Funds	141,363	38,341
Nonmajor Capital Projects Funds	-	349,196
Water Fund	22,852	179,655
Sewer Fund	5,500	24,653
	\$ 917,416	\$ 917,416

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2021 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 512,000	\$ -
Police Fund	15,500	-
Capital Roads Fund	-	165,000
Nonmajor Special Revenue Funds	-	15,000
Nonmajor Capital Projects Funds	-	347,500
Water Fund	49,064	49,064
Sewer Fund	5,500	5,500
	\$ 582,064	\$ 582,064

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - LOANS RECEIVABLE

The Town, through various federal programs, has received grants and advanced funds to encourage community development. These loans, generally secured by subordinated collateral positions, are recorded as loans receivable in the governmental funds. Until repaid, loans of federal awards are offset by deferred revenue, which is taken into operating revenue as payments are received. Upon receipt, the repayment of these loans is placed in the Town's Revolving Loan Fund and is available for future loans.

The following is a description of the loans receivable for the year ended June 30, 2021:

Loans receivable, 12 small business loans, monthly principal and interest payments. Interest rates ranging from 0.00% to 4.25%. Various dues dates, secured by business assets.

\$ 283,326

NOTE 6 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Disposals/ Transfers	Balance, 6/30/21
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 237,300	\$ -	\$ -	\$ 237,300
Construction in progress	185,477	434,317	(174,502)	445,292
	<u>422,777</u>	<u>434,317</u>	<u>(174,502)</u>	<u>682,592</u>
Depreciated assets:				
Buildings and building improvements	4,584,652	-	-	4,584,652
Vehicles	1,548,448	187,580	-	1,736,028
Machinery and equipment	1,023,713	22,302	-	1,046,015
Infrastructure	4,680,379	615,810	-	5,296,189
	11,837,192	825,692	-	12,662,884
Less: accumulated depreciation	(3,206,358)	(368,150)	-	(3,574,508)
	<u>8,630,834</u>	<u>457,542</u>	<u>-</u>	<u>9,088,376</u>
Net governmental capital assets	<u>9,053,611</u>	<u>\$ 891,859</u>	<u>\$ (174,502)</u>	<u>\$ 9,770,968</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Construction in progress	\$ -	\$ 21,000	\$ -	\$ 21,000
	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>21,000</u>
Depreciated assets:				
Machinery and equipment	30,879	-	-	30,879
Vehicles	34,364	-	-	34,364
Infrastructure	3,667,407	-	-	3,667,407
	3,732,650	-	-	3,732,650
Less: accumulated depreciation	(1,591,434)	(94,875)	-	(1,686,309)
	<u>2,141,216</u>	<u>(94,875)</u>	<u>-</u>	<u>2,046,341</u>
Net business-type capital assets	<u>\$ 2,141,216</u>	<u>\$ (73,875)</u>	<u>\$ -</u>	<u>\$ 2,067,341</u>

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

<u>Governmental activities</u>		
General government	\$	29,226
Public safety		97,351
Public works		234,031
Recreation		7,542
Total governmental activities depreciation expense		<u>\$ 368,150</u>
<u>Business-type activities</u>		
Water fund	\$	80,401
Sewer fund		14,474
Total business-type activities depreciation expense		<u>\$ 94,875</u>

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 3,505,846	\$ 28,300	\$ (161,955)	\$ 3,372,191	\$ 167,645
Notes from direct borrowings payable	152,279	-	(152,279)	-	-
Totals	<u>\$ 3,658,125</u>	<u>\$ 28,300</u>	<u>\$ (314,234)</u>	<u>\$ 3,372,191</u>	<u>\$ 167,645</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 1,336,346	\$ -	\$ (68,185)	\$ 1,268,161	\$ 59,975
Totals	<u>\$ 1,336,346</u>	<u>\$ -</u>	<u>\$ (68,185)</u>	<u>\$ 1,268,161</u>	<u>\$ 59,975</u>

The following is a summary of outstanding bonds and notes from direct borrowings:

Governmental activities bonds payable:

\$750,000 VMBB, 2010 Holley Hill/Waterline Improvements (governmental activities portion). Principal payments ranging from \$35,000 to \$40,000 in total payable on December 1 annually. Fixed interest rate ranging from 1.03% to 3.43% per annum, payable on June 1 and December 1. Final payment December 2030.	\$ 350,000
State of Vermont Special Environmental Revolving Fund, Storm Water Improvements. Principal and administrative fee payments of \$34,920 payable on December 1 annually, 0.00% interest per annum and 2.00% administration fee. Final payment December 2031.	341,752
National Bank of Middlebury, Public Safety Facility. Principal payments of \$98,200 due August 1. Variable interest rate of 1.54% per annum due February 1 and August 1. Final payment August 2046.	2,401,979
\$259,716 2019 US Dept. of Agriculture, West Street Storm Water Improvements (governmental activities portion). Principal and interest due August 28 and February 28. Fixed interest rate of 2.25% per annum. Final payment August 2049.	250,160
State of Vermont Special Environmental Revolving Fund, Storm Water Improvements. Principal and administrative fee payments of \$34,920 payable on December 1 annually, 0.00% interest per annum and 2.00% administration fee. Final payment August 2029.	<u>28,300</u>

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Business-type activities bonds payable:

Water Fund:

\$1,062,600 VMBB, Water Line Construction (water fund portion-93.7%). Principal payments ranging from \$26,890 to \$38,782 in total payable on December 1 annually. Fixed interest rate of 3.93% per annum, payable on June 1 and December 1. Final payment December 2036. \$ 639,586

State of Vermont Special Environmental Revolving Fund, West Street Project. Principal payments of \$8,800 payable on September 1 annually, 0.00% interest per annum. Loan forgiven on July 16, 2021. 35,200

US Dept. of Agriculture, West Street Public Water Improvements (Water fund portion). Principal and interest due August 28 and February 29. Fixed interest rate of 2.25% per annum. Final payment August 2059. 558,649

Sewer Fund:

\$1,062,600 VMBB, Sewer Systems Construction (sewer fund portion-6.3%). Principal payments ranging from \$26,890 to \$38,782 in total payable on December 1 annually. Fixed interest rate of 3.93% per annum, payable on June 1 and December 1. Final payment December 2036. 34,726

Total business-type activities bonds payable \$ 1,268,161

The following is a summary of outstanding bonds and notes from direct borrowings payable principal and interest requirements for the fiscal years ending June 30:

	Governmental Activities				
	Bonds		Notes from Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2022	\$ 167,645	\$ 61,787	\$ -	\$ -	\$ 229,432
2023	162,302	46,840	-	-	209,142
2024	163,022	44,026	-	-	207,048
2025	163,757	41,198	-	-	204,955
2026	170,167	38,354	-	-	208,521
2027-2031	856,976	147,075	-	-	1,004,051
2032-2036	536,612	89,790	-	-	626,402
2037-2041	507,304	58,837	-	-	566,141
2042-2046	512,814	27,985	-	-	540,799
2047-2051	131,592	2,787	-	-	134,379
	<u>\$ 3,372,191</u>	<u>\$ 558,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,930,870</u>

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	Business-type Activities				
	Bonds		Notes from Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2022	\$ 59,975	\$ 38,195	\$ -	\$ -	\$ 98,170
2023	61,831	36,306	-	-	98,137
2024	63,757	34,347	-	-	98,104
2025	53,258	32,559	-	-	85,817
2026	46,040	30,951	-	-	76,991
2027-2031	256,046	128,470	-	-	384,516
2032-2036	305,356	53,859	-	-	359,215
2037-2041	94,831	40,541	-	-	135,372
2042-2046	75,982	33,028	-	-	109,010
2047-2051	84,976	24,034	-	-	109,010
2042-2056	95,035	13,975	-	-	109,010
2057-2061	71,074	3,166	-	-	74,240
	<u>\$ 1,268,161</u>	<u>\$ 469,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,737,592</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for business-type activities for the year ended June 30, 2021 was \$28,839.

All bonds and notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town or for business-type activities from user fees.

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2021 is as follows:

	Balance, 7/1/20 (Restated)	Additions	Deletions	Balance, 6/30/21	Current Portion
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 46,404	\$ 14,834	\$ -	\$ 61,238	\$ 3,062
Landfill post-closure liability	329,240	8,231	(13,499)	323,972	13,836
Accrued interest payable	27,682	-	(6,361)	21,321	-
Net pension liability	471,708	167,931	-	639,639	-
	<u>\$ 875,034</u>	<u>\$ 190,996</u>	<u>\$ (19,860)</u>	<u>\$ 1,046,170</u>	<u>\$ 16,898</u>
<u>Business-type activities:</u>					
Accrued compensated absences	\$ 1,379	\$ -	\$ (1,379)	\$ -	\$ -
Net pension liability	13,538	4,820	-	18,358	-
	<u>\$ 14,917</u>	<u>\$ 4,820</u>	<u>\$ (1,379)</u>	<u>\$ 18,358</u>	<u>\$ -</u>

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - OTHER LONG-TERM OBLIGATIONS (CONTINUED)

Please see Notes 15, 16 and 20 for detailed information on the other long-term obligations.

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2021, the Town had the following nonspendable fund balance:

General fund:	
Prepaid items	\$ 104,456
Nonmajor permanent funds (Schedule I)	17,700
	<u>\$ 122,156</u>

NOTE 10 - RESTRICTED NET POSITION BALANCES

At June 30, 2021, the Town had the following restricted net position balances:

Revolving Loan Fund	\$ 372,616
Police Fund	156,275
Nonmajor special revenue funds (Schedule E)	606,196
Nonmajor capital projects funds (Schedule G)	262,789
Nonmajor permanent funds (Schedule I)	112,323
	<u>\$ 1,510,199</u>

NOTE 11 - RESTRICTED FUND BALANCES

At June 30, 2021, the Town had the following restricted fund balances:

Revolving Loan Fund	\$ 372,616
Police Fund	156,275
Nonmajor special revenue funds (Schedule E)	606,196
Nonmajor capital projects funds (Schedule G)	262,789
Nonmajor permanent funds (Schedule I)	130,023
	<u>\$ 1,527,899</u>

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2021, the Town had the following committed fund balances:

Capital Roads Fund	\$ 36,530
Nonmajor capital projects funds (Schedule G)	358,724
	<u>\$ 395,254</u>

NOTE 13 - OVERSPENT APPROPRIATIONS

At June 30, 2021, the Town had the following overspent appropriations:

General government	\$ 10,916
Lawrence Memorial library	7,457
Post closure monitoring	4,336
Dues, taxes and contributions	1,418
Debt service	29,488
	<u>\$ 53,615</u>

NOTE 14 - DEFICIT FUND BALANCE

At June 30, 2021, the Town had the following deficit fund balance:

Nonmajor special revenue funds (Schedule E)	
VT afterschool summer	\$ 288
SHSO fund	326
Fundraising ski package	411
Stoney Hill NBRC	17,349
FD/AFG grant	7,967
Nonmajor capital projects funds (Schedule G)	
Main street project	304,810
West St water line	5,889
West St	250
Water planning loan 2020	26,611
Elementary school drainage	843
	<u>\$ 364,744</u>

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation time permits employees to accumulate vacation time. The Town's policies also permit employees to accumulate earned but unused comp time and sick leave, but these are not paid out upon termination. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2021, the Town's liability for compensated absences is \$61,238.

NOTE 16 - LANDFILL POST-CLOSURE LIABILITY

The Town's 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 and on a study from LE Environmental in 2015. The projected costs should be reviewed at least biannually and prospective costs must include a projection for inflation. As of June 30, 2021, the Town's liability based on the 2015 study, adjusted for 2.50% inflation is \$323,972. Actual costs may vary due to changes in inflation, changes in technology, changes in regulation or variances between actual and estimated costs.

NOTE 17 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited 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. covering each of those risks of loss. The Town has an environmental exclusion in their insurance policy in regards to the landfill. There have been no significant reductions in coverage from the prior year and amounts of settlements have not exceeded insurance coverage in the past three years. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up two insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Employment Resource Benefits Trust (VERB) for unemployment, life, disability and other ancillary coverage. PACIF and VERB are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 - RISK MANAGEMENT (CONTINUED)

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability. Members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

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, 2021 were \$528.

NOTE 18 - ESTIMATES

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

NOTE 19 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975 and is governed by Title 24, V.S.A. Chapter 125. It is designed for persons employed on a regular basis by a school district or by a supervisory union for no fewer than 1,040 hours in a year and for no fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071 or for no fewer than 1,040 hours in a year and for no fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term shall also mean persons employed on a regular basis by a municipality other than a school district for no fewer than 1,040 hours in a year and for no fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding. For the year ended June 30, 2019 (the most recent data available), the retirement system consisted of 14,755 participating members.

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 Schools 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. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report may be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](#).

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided

The pension plan is divided into four membership groups:

- Group A - general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B and C - general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D - sworn police officers, firefighters and emergency medical personnel

The Town participates in Groups A, B and C. Benefits available to each group are based on average final compensation (AFC) and years of creditable service and are summarized below:

VMERS	Group A	Group B	Group C	Group D
Normal service retirement eligibility	Age 65 with 5 years of service or age 55 with 35 years of service	Age 62 with 5 years of service or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula – normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

VMERS	Group A	Group B	Group C	Group D
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service

** - A special early retirement factor of 3% per year only for municipal police officers who have attained age 60.

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group as of July 1, 2020 are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	3.000% of gross salary	5.375% of gross salary	10.500% of gross salary	11.850% of gross salary
Employer Contributions	4.500% of gross salary	6.000% of gross salary	7.750% of gross salary	10.350% of gross salary

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings for the year ended June 30, 2021 totaled \$77,880. The Town contributed \$57,737 for the year ended June 30, 2021. The Town's total payroll for the year ended June 30, 2021 for all employees covered under this plan was \$732,465.

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities

At June 30, 2021, the Town reported a liability of \$657,997 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of June 30, 2019. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

At June 30, 2020, the Town's proportion was 0.26010% for VMERS, which was a decrease of 0.01959% from its proportion measured as of June 30, 2019 for VMERS.

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

For the year ended June 30, 2021, the Town recognized pension expense of \$79,860 for the VMERS plan. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,260	\$ 1,950
Changes of assumptions	88,217	-
Net difference between projected and actual earnings on pension plan investments	62,932	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,596	43,203
Contributions subsequent to the measurement date	<u>57,737</u>	<u>-</u>
Total	<u>\$ 269,742</u>	<u>\$ 45,153</u>

\$57,737 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		VMERS Plan
Plan year ended June 30:		
2021	\$	45,761
2022		46,635
2023		42,692
2024		31,763
2025		-
Thereafter		-

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2020 measurement date was determined by rolling forward the total pension liability as of June 30, 2019 to June 30, 2020. The total pension liability was calculated using the following actuarial assumptions:

Investment Rate of Return: 7.00%, net of pension plan investment expense, including inflation.

Inflation: 2.30%

Salary Increases: Varying, service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Deaths After Retirement: Mortality rates for pre-retirement, healthy retirees and disabled retirees in the VMERS plan for Groups A, B, C and D were based variations of RP-2006 Tables with generational improvement using Scale SSA-2017 as follows:

Pre-retirement - Groups A, B and C, 98% of RP-2006 tables, blended with a 60% Blue Collar Employee and 40% Healthy Employee and Group D with 100% of RP-2006 Blue Collar Employee

Healthy Retiree - Groups A, B and C, 98% of RP-2006 tables, blended with a 60% Blue Collar Annuitant and 40% Healthy Annuitant and Group D with a Blue Collar Annuitant Table

TOWN OF BRISTOL, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Disabled Retiree - All Groups with a RP-2006 Disabled Mortality Table

Inactive Members: Valuation liability equals 100% of accumulated contributions. Inactive who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.

Future Administrative Expenses: An expense adjustment based on actual expenses for the previous year is reflected in the development of recommended employer contribution levels.

Unknown Data for Participants: The same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Percent Married: 85% of male members and 50% of female members are assumed to be married.

Spouse's Age: Husbands are assumed to be three years older than their wives.

Cost-of-Living Adjustments: Assumed to occur on January 1 following one year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Group A, B and D who receive a disability retirement benefit and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

Actuarial Cost Method: The Projected Benefit Cost Method is used. Normal contribution rates for each Group are equal to rates from the prior year, adjusted for increases or decreases in rates due to assumption changes or plan provision changes.

A smoothing *asset valuation method* was used for funding purposes in the VMERS plan, 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. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

The *long-term expected rate of return* on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class. These best estimate ranges were 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.

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bonds	20.00%	0.39%
Private and Alternative Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmland	2.00%	5.44%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the VMERS plan. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy which exceeds the actuarially determined contribution rate. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00% for the VMERS plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 20 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>VMERS:</u>			
Discount rate	6.00%	7.00%	8.00%
Town's proportionate share of the net pension liability	\$ 1,005,286	\$ 657,997	\$ 372,252

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of VMERS or their participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Annual Comprehensive Financial Report. The Annual Report can be viewed on the State's Department of Finance and Management website at: [Annual Comprehensive Financial Report | Department of Finance and Management \(vermont.gov\)](http://AnnualComprehensiveFinancialReport|DepartmentofFinanceandManagement.vermont.gov).

NOTE 21 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 22 - OPERATING LEASE

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 2021 was \$40,213.

TOWN OF BRISTOL, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 22 - OPERATING LEASE (CONTINUED)

Future minimum lease payments are as follows:

Year Ending June 30:		
2022	\$	40,213
2023		40,213
2024		10,053
Total minimum lease payment	\$	90,479

NOTE 23 - RESTATEMENTS

In 2020, the Town determined that certain transactions were recorded incorrectly or omitted. Therefore, a restatement to the governmental net position to reflect a reduction in capital assets construction in progress, increase in machinery and increase in accumulated depreciation of \$548,446 and a reduction of unavailable grants of \$182,340. The landfill post-closure liability was restated which resulted in a reduction of \$26,600 in the governmental activities net position. The total restatement decreased the governmental activities net position by \$757,386 from \$7,966,701 to \$7,209,315.

NOTE 24 - SUBSEQUENT EVENT

On July 16, 2021, the State of Vermont revolving loan balance of \$35,200 in the Water fund was forgiven.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information

TOWN OF BRISTOL, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 212,181	\$ 212,181	\$ 212,181	\$ -
Resources (Inflows):				
Property taxes	2,573,508	2,573,508	2,638,898	65,390
Intergovernmental	95,850	95,850	198,473	102,623
Charges for services	161,350	161,350	140,564	(20,786)
Investment income	500	500	438	(62)
Miscellaneous revenues	1,612	1,612	28,439	26,827
Inflow of Resources	<u>2,832,820</u>	<u>2,832,820</u>	<u>3,006,812</u>	<u>173,992</u>
Amounts Available for Appropriation	<u>3,045,001</u>	<u>3,045,001</u>	<u>3,218,993</u>	<u>173,992</u>
Charges to Appropriations (Outflows):				
General government	515,549	515,549	526,465	(10,916)
Public safety	185,095	185,095	184,315	780
Lawrence Memorial library	4,203	4,203	11,660	(7,457)
Public works	745,079	745,079	685,507	59,572
Recreation	300,653	300,653	243,914	56,739
Post-closure monitoring	4,000	4,000	8,336	(4,336)
Dues, taxes and contributions	29,894	29,894	31,312	(1,418)
Cemetery	3,500	3,500	2,545	955
Unclassified	282,004	282,004	279,966	2,038
Debt service:				
Principal	184,804	184,804	214,175	(29,371)
Interest	66,039	66,039	66,156	(117)
Transfers to other funds	512,000	512,000	512,000	-
Total Charges to Appropriations	<u>2,832,820</u>	<u>2,832,820</u>	<u>2,766,351</u>	<u>66,469</u>
Budgetary Fund Balance, June 30	<u>\$ 212,181</u>	<u>\$ 212,181</u>	<u>\$ 452,642</u>	<u>\$ 240,461</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>							
Proportion of the net pension liability	0.26%	0.28%	0.30%	0.33%	0.32%	0.34%	0.36%
Proportionate share of the net pension liability	\$ 657,997	\$ 485,246	\$ 422,774	\$ 402,374	\$ 411,291	\$ 261,155	\$ 32,764
Covered payroll	\$ 718,772	\$ 728,659	\$ 726,067	\$ 748,097	\$ 675,956	\$ 682,595	
Proportionate share of the net pension liability as a percentage of its covered payroll	91.54%	66.59%	58.23%	53.79%	60.85%	38.26%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	74.52%	80.35%	82.60%	83.64%	80.95%	87.42%	98.32%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
<u>VMERS:</u>							
Contractually required contribution	\$ 57,737	\$ 53,908	\$ 53,739	\$ 52,641	\$ 54,237	\$ 48,573	\$ 47,351
Contributions in relation to the contractually required contribution	(57,737)	(53,908)	(53,739)	(52,641)	(54,237)	(48,573)	(47,351)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 732,465	\$ 718,772	\$ 728,659	\$ 726,067	\$ 748,097	\$ 675,956	\$ 682,595
Contributions as a percentage of covered payroll	7.88%	7.50%	7.38%	7.25%	7.25%	7.19%	6.94%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions

VMERS Pension Plan:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA assumption was lowered from 1.15% to 1.10% for Group A members and from 1.30% to 1.20% for Groups B, C and D members.
- The mortality assumptions were updated as follows with generational projection using scale MP-2019:
 - Pre- Retirement - Groups A/B/C - 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, Group D - PubG-2010 General Employee above-median
 - Healthy Post Retirement - Retirees - Groups A/B/C - 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree
 - Healthy Post-Retirement - Beneficiaries - Groups A/B/C - 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor. Group D - Pub-2010 Contingent Survivor.
 - Disabled Retirees - All Groups - PubNS-2010 Non-Safety Disabled Retiree Mortality Table.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%.
- The active retirement rates were updated as follows:
 - Group A - Decreased the rates throughout all ages.
 - Group B - For females, slightly decreased the rates at younger ages and then increase the rates at later ages. For males, slightly decreased the rates at most ages.

TOWN OF BRISTOL, VERMONT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

- Group C - Simplified the assumption to a unisex table that more accurately aligns with the actual experience for both males and females.
- Group D - For members with less than 20 years of service, increased the rates for ages 55-59.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability load of accumulated contributions for Inactive Members was removed. Liabilities for Inactive Members are now based on 100% of the accumulated contributions. Inactive Members who are vested immediately become Deferred Members and the liabilities for all Deferred Members are based on the accrued benefit.
- The termination rates were simplified for females to one set of slightly reduced rates for all females.

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF BRISTOL, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 2,447,618	\$ 2,447,618	\$ 2,515,403	\$ 67,785
Interest and penalties	24,000	24,000	21,438	(2,562)
Current use	85,000	85,000	83,806	(1,194)
Equalization payment	1,600	1,600	1,677	77
Fish and wildlife	790	790	411	(379)
National Forest	14,500	14,500	16,163	1,663
Intergovernmental revenues:				
State aid - highways	95,850	95,850	125,789	29,939
FEMA	-	-	30,790	30,790
Grants	-	-	41,894	41,894
Charges for services:				
DMV registration renewals	450	450	207	(243)
Fees	300	300	225	(75)
Fines	3,800	3,800	9,149	5,349
Highway	3,000	3,000	3,315	315
Licenses	3,500	3,500	3,204	(296)
Recreation department	105,300	105,300	53,826	(51,474)
Town clerk	36,000	36,000	59,633	23,633
Zoning	9,000	9,000	11,005	2,005
Investment income	500	500	438	(62)
Other income:				
Insurance claims	-	-	3,682	3,682
Library	1,362	1,362	9,253	7,891
Miscellaneous	250	250	15,504	15,254
TOTAL REVENUES	\$ 2,832,820	\$ 2,832,820	\$ 3,006,812	\$ 173,992

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General Government:					
General Expenses:					
Supplies	\$ 2,500	\$ -	\$ 2,500	\$ 2,235	\$ 265
Furnishings	200	-	200	-	200
Equipment	2,500	-	2,500	2,092	408
Computer	2,300	-	2,300	1,711	589
Advertising	2,000	-	2,000	3,804	(1,804)
Postage	4,000	-	4,000	5,191	(1,191)
Telephone	2,500	-	2,500	2,150	350
Insurance	13,000	-	13,000	11,543	1,457
Rubish removal	525	-	525	884	(359)
FEMA	-	-	-	33,931	(33,931)
Miscellaneous	500	-	500	4,540	(4,040)
	<u>30,025</u>	<u>-</u>	<u>30,025</u>	<u>68,081</u>	<u>(38,056)</u>
Administrator's Office:					
Salaries	71,870	-	71,870	70,060	1,810
Benefits	29,170	-	29,170	30,913	(1,743)
Mileage	1,500	-	1,500	1,517	(17)
Training	200	-	200	85	115
Computer	1,068	-	1,068	325	743
	<u>103,808</u>	<u>-</u>	<u>103,808</u>	<u>102,900</u>	<u>908</u>
Clerk/Treasurer's Office:					
Salaries	71,756	-	71,756	66,238	5,518
Benefits	34,495	-	34,495	37,709	(3,214)
Training	600	-	600	138	462
Supplies	4,000	-	4,000	4,401	(401)
Software and programming	4,750	-	4,750	4,562	188
Equipment	600	-	600	439	161
Postage	1,900	-	1,900	254	1,646
Telephone	1,900	-	1,900	1,425	475
Microfilming	300	-	300	155	145
Miscellaneous	200	-	200	477	(277)
	<u>120,501</u>	<u>-</u>	<u>120,501</u>	<u>115,798</u>	<u>4,703</u>
Listing Department:					
Salaries	17,010	-	17,010	24,424	(7,414)
Benefits	1,490	-	1,490	2,035	(545)
Mileage	250	-	250	254	(4)
Training	300	-	300	50	250
Supplies	250	-	250	273	(23)
Software	3,286	-	3,286	3,831	(545)
Equipment	100	-	100	-	100
Postage	400	-	400	108	292
Telephone	900	-	900	712	188
Legal fees	300	-	300	-	300
Professional fees	300	-	300	-	300
Map maintenance	750	-	750	-	750
Miscellaneous	100	-	100	-	100
	<u>25,436</u>	<u>-</u>	<u>25,436</u>	<u>31,687</u>	<u>(6,251)</u>

SCHEDULE B (CONTINUED)
TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government (Continued):					
Planning and Zoning:					
Salaries	22,000	-	22,000	16,898	5,102
Benefits	1,880	-	1,880	1,487	393
Mileage	100	-	100	-	100
Training	200	-	200	-	200
Supplies and computer	3,515	-	3,515	2,837	678
Advertising	500	-	500	998	(498)
Postage	400	-	400	41	359
Legal fees	2,000	-	2,000	3,083	(1,083)
Planning services	5,000	-	5,000	1,887	3,113
Printing	200	-	200	-	200
Meetings	1,850	-	1,850	715	1,135
	<u>37,645</u>	<u>-</u>	<u>37,645</u>	<u>27,946</u>	<u>9,699</u>
Professional Fees:					
Legal fees	8,000	-	8,000	4,543	3,457
Audit	22,000	-	22,000	26,211	(4,211)
Miscellaneous	-	-	-	15	(15)
	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,769</u>	<u>(769)</u>
Town Reporting/Printing:	950	-	950	1,204	(254)
Meetings and Elections:					
Election workers	3,500	-	3,500	2,417	1,083
Election supplies	3,200	-	3,200	3,190	10
	<u>6,700</u>	<u>-</u>	<u>6,700</u>	<u>5,607</u>	<u>1,093</u>
Town Officers:					
Selectboard salaries	7,500	-	7,500	5,769	1,731
Collector of delinquent taxes	5,492	-	5,492	5,417	75
Health officer	500	-	500	-	500
Benefits	800	-	800	827	(27)
Training	200	-	200	167	33
Conservation commission	350	-	350	150	200
Energy committee	100	-	100	-	100
	<u>14,942</u>	<u>-</u>	<u>14,942</u>	<u>12,330</u>	<u>2,612</u>
Town Parks:					
Supplies	600	-	600	-	600
Electricity	1,500	-	1,500	1,369	131
Insurance	2,026	-	2,026	1,835	191
Mowing	8,000	-	8,000	11,362	(3,362)
Tree planting	5,000	-	5,000	168	4,832
Sycamore park portolet	550	-	550	412	138
Maintenance	3,000	-	3,000	2,237	763
Rubish removal	1,450	-	1,450	1,643	(193)
	<u>22,126</u>	<u>-</u>	<u>22,126</u>	<u>19,026</u>	<u>3,100</u>

SCHEDULE B (CONTINUED)
TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government (Continued):					
Holley Hall:					
Supplies	1,100	-	1,100	840	260
Equipment	250	-	250	-	250
Heating fuel	4,500	-	4,500	3,820	680
Electricity	4,500	-	4,500	4,342	158
Custodial	4,850	-	4,850	3,725	1,125
Building maintenance	15,000	-	15,000	8,025	6,975
Insurance	4,340	-	4,340	5,290	(950)
Sewer fees	715	-	715	693	22
Water fees	325	-	325	297	28
	35,580	-	35,580	27,032	8,548
Howden Hall:					
Supplies	200	-	200	-	200
Heating fuel	1,600	-	1,600	1,359	241
Electricity	1,000	-	1,000	585	415
Telephone	675	-	675	530	145
Insurance	4,052	-	4,052	3,670	382
Maintenance and custodial	2,500	-	2,500	1,801	699
Water fees	315	-	315	293	22
	10,342	-	10,342	8,238	2,104
Public Safety:					
Dog officer	1,600	-	1,600	500	1,100
Benefits	124	-	124	38	86
Dog pound	1,000	-	1,000	922	78
Street lights	23,000	-	23,000	24,739	(1,739)
Town traffic patrol contract (BPD)	12,000	-	12,000	12,000	-
Police responses (BPD to Town)	6,600	-	6,600	3,685	2,915
	44,324	-	44,324	41,884	2,440
Administrative Assistant:					
Salaries	26,680	-	26,680	29,420	(2,740)
Benefits	5,690	-	5,690	3,495	2,195
Computer	800	-	800	1,048	(248)
	33,170	-	33,170	33,963	(793)
Total General Government	515,549	-	515,549	526,465	(10,916)
Public Safety:					
Fire Department:					
Wages	37,200	-	37,200	33,779	3,421
Benefits	7,340	-	7,340	6,069	1,271
Dues	1,540	-	1,540	860	680
Training	1,500	-	1,500	2,407	(907)
OSHA requirements	4,000	-	4,000	1,603	2,397
Supplies	9,000	-	9,000	10,686	(1,686)
Electricity	8,000	-	8,000	9,487	(1,487)
Propane	6,000	-	6,000	4,793	1,207
Apparatus fuel and oil	2,500	-	2,500	1,844	656
Telephone	3,800	-	3,800	3,288	512
Dispatching	4,500	-	4,500	2,484	2,016
Active 911	430	-	430	455	(25)

SCHEDULE B (CONTINUED)
TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public Safety (Continued):					
Fire Department (continued):					
Building maintenance	4,600	-	4,600	4,401	199
Mowing	1,700	-	1,700	2,694	(994)
Custodial	5,110	-	5,110	3,256	1,854
Annual services	8,500	-	8,500	10,846	(2,346)
Insurance	16,920	-	16,920	14,364	2,556
Water fees	325	-	325	298	27
Hose service testing and replacement	2,000	-	2,000	2,115	(115)
Communication tower lease	4,000	-	4,000	5,450	(1,450)
Radios and pagers (service)	9,000	-	9,000	10,296	(1,296)
Equipment service testing and maintenance	3,400	-	3,400	1,188	2,212
Apparatus/vehicle maintenance	25,000	-	25,000	29,133	(4,133)
Fire prevention and education	400	-	400	514	(114)
Miscellaneous	200	-	200	75	125
Fire/uniforms and apparel	3,000	-	3,000	5,115	(2,115)
PS Trax inventory management system	950	-	950	1,118	(168)
Plant, property and equipment	14,180	-	14,180	15,697	(1,517)
Total Public Safety	<u>185,095</u>	<u>-</u>	<u>185,095</u>	<u>184,315</u>	<u>780</u>
Lawrence Memorial Library:					
Benefits	1,362	-	1,362	8,984	(7,622)
Maintenance	250	-	250	241	9
Insurance	2,591	-	2,591	2,435	156
	<u>4,203</u>	<u>-</u>	<u>4,203</u>	<u>11,660</u>	<u>(7,457)</u>
Cemetery Care:	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>2,545</u>	<u>955</u>
Dues, Taxes and Contributions:					
Addison County Regional Planning	5,191	-	5,191	5,137	54
Vermont League of Cities and Towns	5,928	-	5,928	5,928	-
Fourth of July Bristol PD	1,500	-	1,500	-	1,500
Chamber of Commerce	175	-	175	175	-
Addison County Economic Dev. Corp.	3,500	-	3,500	3,500	-
Addison County tax	13,600	-	13,600	16,572	(2,972)
	<u>29,894</u>	<u>-</u>	<u>29,894</u>	<u>31,312</u>	<u>(1,418)</u>
Post-Closure Monitoring:	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>8,336</u>	<u>(4,336)</u>
Public Works - Highway Department					
Personnel and Insurance:					
Wages	265,124	-	265,124	236,819	28,305
Benefits	158,524	-	158,524	131,552	26,972
Uniforms	2,500	-	2,500	1,895	605
Mileage	300	-	300	29	271
Training	500	-	500	841	(341)
Insurance	13,006	-	13,006	12,870	136
	<u>439,954</u>	<u>-</u>	<u>439,954</u>	<u>384,006</u>	<u>55,948</u>

SCHEDULE B (CONTINUED)
TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public Works - Highway Department (continued):					
Equipment:					
Supplies	16,000	-	16,000	20,086	(4,086)
Parts	14,000	-	14,000	18,212	(4,212)
Tires	6,000	-	6,000	5,409	591
Fuels	42,500	-	42,500	23,528	18,972
Oil, antifreeze	3,000	-	3,000	1,166	1,834
Purchases/tools	2,000	-	2,000	10,124	(8,124)
Contracted repairs	13,000	-	13,000	9,721	3,279
Equipment rentals	500	-	500	-	500
	<u>97,000</u>	<u>-</u>	<u>97,000</u>	<u>88,246</u>	<u>8,754</u>
Garage:					
Supplies	5,500	-	5,500	5,149	351
Heating fuels (East garage)	3,000	-	3,000	999	2,001
Propane (West garage)	4,000	-	4,000	3,351	649
Electricity	3,600	-	3,600	4,232	(632)
Telephone	2,500	-	2,500	1,907	593
Pagers	600	-	600	540	60
Maintenance	3,000	-	3,000	9,670	(6,670)
Water fees	325	-	325	298	27
Rubbish removal	600	-	600	1,142	(542)
	<u>23,125</u>	<u>-</u>	<u>23,125</u>	<u>27,288</u>	<u>(4,163)</u>
Materials and Services:					
Road gravel	22,000	-	22,000	13,426	8,574
Winter sand	37,000	-	37,000	36,819	181
Salt	60,000	-	60,000	65,547	(5,547)
Chloride	20,000	-	20,000	13,823	6,177
Cold patch	1,500	-	1,500	5,498	(3,998)
Culverts	4,500	-	4,500	4,411	89
Signs	2,000	-	2,000	2,442	(442)
Tree work	6,000	-	6,000	7,300	(1,300)
Pavement markings	1,000	-	1,000	46	954
Guard rail	4,000	-	4,000	-	4,000
Ditching	4,000	-	4,000	9,618	(5,618)
Storm drainage	1,000	-	1,000	275	725
Contracted services	18,000	-	18,000	24,414	(6,414)
Permits	3,000	-	3,000	1,350	1,650
Miscellaneous	1,000	-	1,000	998	2
	<u>185,000</u>	<u>-</u>	<u>185,000</u>	<u>185,967</u>	<u>(967)</u>
Total Public Works - Highway Department	<u>745,079</u>	<u>-</u>	<u>745,079</u>	<u>685,507</u>	<u>59,572</u>
Arts, Parks and Recreation Department:					
General Recreation Department:					
Salaries	62,956	-	62,956	62,718	238
Benefits	41,056	-	41,056	39,004	2,052
Mileage	200	-	200	104	96
Training	600	-	600	277	323
Supplies	900	-	900	2,189	(1,289)
Equipment	1,500	-	1,500	1,604	(104)
Computers	4,681	-	4,681	2,995	1,686

SCHEDULE B (CONTINUED)
TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Arts, Parks and Recreation Department (Continued):					
General Recreation Department (Continued):					
Advertising	500	-	500	161	339
Insurance	1,500	-	1,500	-	1,500
Facilities rental	2,000	-	2,000	-	2,000
Postage	100	-	100	-	100
Telephone	1,500	-	1,500	1,680	(180)
Holley Hall custodial	800	-	800	625	175
Printing	2,000	-	2,000	365	1,635
Programs	32,000	-	32,000	10,051	21,949
Swimming	15,000	-	15,000	-	15,000
Events	3,000	-	3,000	928	2,072
Annual fees	350	-	350	570	(220)
Miscellaneous	300	-	300	-	300
	170,943	-	170,943	123,271	47,672
Youth Center/Skate Park:					
Wages	56,860	-	56,860	52,344	4,516
Benefits	32,005	-	32,005	30,066	1,939
Travel	200	-	200	47	153
Hub rent to recreation club	7,200	-	7,200	7,800	(600)
Supplies	1,000	-	1,000	1,132	(132)
Food	1,000	-	1,000	419	581
Heat	2,000	-	2,000	551	1,449
Electricity	1,500	-	1,500	1,143	357
Telephone	1,300	-	1,300	1,291	9
Programs/workshops	1,500	-	1,500	791	709
Water fees	325	-	325	298	27
Rubish removal	510	-	510	934	(424)
Maintenance	800	-	800	671	129
	106,200	-	106,200	97,487	8,713
Pottery Studio:					
Salaries	12,800	-	12,800	12,795	5
Supplies	800	-	800	632	168
Kiln	600	-	600	377	223
Heat	600	-	600	596	4
Electricity	400	-	400	412	(12)
Rent	7,800	-	7,800	7,800	-
Telephone	510	-	510	544	(34)
	23,510	-	23,510	23,156	354
Total Arts, Parks and Recreation Department	300,653	-	300,653	243,914	56,739
Voter Appropriations:					
Addison county restorative justice	1,150	-	1,150	1,150	-
Addison county home health and hospice	4,700	-	4,700	3,858	842
Addison county transit resources	11,306	-	11,306	11,306	-
Addison county humane society	1,000	-	1,000	1,000	-
Addison county readers program	2,000	-	2,000	2,000	-
Age well (CVAA)	2,700	-	2,700	2,700	-
Bristol 4th of July committee	6,000	-	6,000	6,000	-
Bristol after school program	1,275	-	1,275	1,275	-

SCHEDULE B (CONTINUED)
TOWN OF BRISTOL, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Voter Appropriations (Continued):					
Bristol cemetery association	29,000	-	29,000	29,000	-
Bristol CORE	10,000	-	10,000	10,000	-
Bristol family center	4,000	-	4,000	4,000	-
Bristol historical society	2,500	-	2,500	2,500	-
Bristol little league	2,000	-	2,000	2,000	-
Bristol recreation club	15,000	-	15,000	15,000	-
Bristol rescue squad	13,500	-	13,500	13,500	-
Bristol town band	1,200	-	1,200	-	1,200
Counseling service of Addison county	3,875	-	3,875	3,875	-
Elderly services	2,200	-	2,200	2,200	-
Hope	3,250	-	3,250	3,250	-
Hospice volunteer service	1,200	-	1,200	1,200	-
John Graham emergency shelter	1,400	-	1,400	1,400	-
Lawrence memorial library	144,248	-	144,248	144,252	(4)
NEAT TV	3,500	-	3,500	3,500	-
New Haven river watch	300	-	300	300	-
Open door clinic	1,000	-	1,000	1,000	-
Parent child center	4,800	-	4,800	4,800	-
Retired senior volunteer program	750	-	750	750	-
Turning point	3,000	-	3,000	3,000	-
Vermont adult learning	1,650	-	1,650	1,650	-
Womensafe	3,500	-	3,500	3,500	-
	<u>282,004</u>	<u>-</u>	<u>282,004</u>	<u>279,966</u>	<u>2,038</u>
Debt Service:					
Principal:					
Stormwater bond	34,920	-	34,920	27,534	7,386
South St. bridge replacement	14,857	-	14,857	52,220	(37,363)
West St stormwater	6,222	-	6,222	6,221	1
Holley Hall bond	29,493	-	29,493	30,000	(507)
Fire bond payment on station	99,312	-	99,312	98,200	1,112
Interest:					
Tax anticipation interest:	1,100	-	1,100	1,217	(117)
Interest on bonds	64,939	-	64,939	64,939	-
	<u>250,843</u>	<u>-</u>	<u>250,843</u>	<u>280,331</u>	<u>(29,488)</u>
Transfers to Other Funds:					
Capital building fund	30,000	-	30,000	30,000	-
Capital equipment fund	135,000	-	135,000	135,000	-
Capital roads fund - construction	40,000	-	40,000	40,000	-
Capital roads fund - paving	125,000	-	125,000	125,000	-
Capital sidewalk fund	35,000	-	35,000	35,000	-
Capital technology fund	7,000	-	7,000	7,000	-
Capital fund - fire department	25,000	-	25,000	25,000	-
Capital equipment fund - fire vehicle	100,000	-	100,000	100,000	-
Special revenue - conservation reserve fund	10,000	-	10,000	10,000	-
Special revenue - reappraisal fund	5,000	-	5,000	5,000	-
	<u>512,000</u>	<u>-</u>	<u>512,000</u>	<u>512,000</u>	<u>-</u>
Total Departmental Operations	<u>2,832,820</u>	<u>-</u>	<u>2,832,820</u>	<u>2,766,351</u>	<u>66,469</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 495,397	\$ 636,736	\$ 5,381	\$ 1,137,514
Investments	-	-	124,642	124,642
Accounts receivable (net of allowance for uncollectibles)	2,000	-	-	2,000
Due from other funds	141,363	-	-	141,363
TOTAL ASSETS	\$ 638,760	\$ 636,736	\$ 130,023	\$ 1,405,519
LIABILITIES				
Accounts payable	\$ -	\$ 4,430	\$ -	\$ 4,430
Due to other funds	38,341	349,196	-	387,537
TOTAL LIABILITIES	38,341	353,626	-	391,967
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	20,564	-	-	20,564
TOTAL DEFERRED INFLOWS OF RESOURCES	20,564	-	-	20,564
FUND BALANCES				
Nonspendable	-	-	17,700	17,700
Restricted	606,196	262,789	112,323	981,308
Committed	-	358,724	-	358,724
Assigned	-	-	-	-
Unassigned	(26,341)	(338,403)	-	(364,744)
TOTAL FUND BALANCES	579,855	283,110	130,023	992,988
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 638,760	\$ 636,736	\$ 130,023	\$ 1,405,519

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income, net of realized/unrealized gains/(losses)	\$ 574	\$ 1,211	\$ 2,481	\$ 4,266
Other	261,352	\$ 146,776	-	408,128
TOTAL REVENUES	<u>261,926</u>	<u>147,987</u>	<u>2,481</u>	<u>412,394</u>
EXPENDITURES				
Capital outlay	-	838,127	-	838,127
Program expenses	231,381	-	-	231,381
TOTAL EXPENDITURES	<u>231,381</u>	<u>838,127</u>	<u>-</u>	<u>1,069,508</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>30,545</u>	<u>(690,140)</u>	<u>2,481</u>	<u>(657,114)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	347,500	-	362,500
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,000</u>	<u>347,500</u>	<u>-</u>	<u>362,500</u>
NET CHANGE IN FUND BALANCES	45,545	(342,640)	2,481	(294,614)
FUND BALANCES - JULY 1	<u>534,310</u>	<u>625,750</u>	<u>127,542</u>	<u>1,287,602</u>
FUND BALANCES - JUNE 30	<u>\$ 579,855</u>	<u>\$ 283,110</u>	<u>\$ 130,023</u>	<u>\$ 992,988</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Record Restoration	Recreation Department	Conservation Fund	Reappraisal Account	Lister Education	Forfeiture Cash	Bristol Flood Relief
ASSETS							
Cash and cash equivalents	\$ 35,076	\$ 13,611	\$ 67,982	\$ 5,290	\$ 2,925	\$ 3,156	\$ 1,659
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	140,000	-	-	-
TOTAL ASSETS	\$ 35,076	\$ 13,611	\$ 67,982	\$ 145,290	\$ 2,925	\$ 3,156	\$ 1,659
LIABILITIES							
Due to other funds	\$ 2,370	\$ -	\$ 224	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	2,370	-	224	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	32,706	13,611	67,758	145,290	2,925	3,156	1,659
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	32,706	13,611	67,758	145,290	2,925	3,156	1,659
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 35,076	\$ 13,611	\$ 67,982	\$ 145,290	\$ 2,925	\$ 3,156	\$ 1,659

SCHEDULE E (CONTINUED)

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	VT Afterschool Summer	EAB Plan	HUB Food	UWAC	VT Community Foundation	Pass Thru Grants	Holley Hall Acoustics
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 1,500	\$ -	\$ 5,000	\$ 3,979	\$ 593
Accounts receivable	-	-	-	-	-	2,000	-
Due from other funds	-	88	-	1,025	-	-	-
TOTAL ASSETS	\$ -	\$ 88	\$ 1,500	\$ 1,025	\$ 5,000	\$ 5,979	\$ 593
LIABILITIES							
Due to other funds	\$ 288	\$ -	\$ 148	\$ -	\$ 59	\$ 5,583	\$ -
TOTAL LIABILITIES	288	-	148	-	59	5,583	-
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	1,352	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	1,352	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	88	-	1,025	4,941	396	593
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(288)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(288)	88	-	1,025	4,941	396	593
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 88	\$ 1,500	\$ 1,025	\$ 5,000	\$ 5,979	\$ 593

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	SHSO Fund	Fundraising Ski Package	UWAC Summer	Historic Signs	UWAC HUB	Prep '18	Stoney Hill Sale
ASSETS							
Cash and cash equivalents	\$ 271	\$ -	\$ 319	\$ 1,081	\$ 7,881	\$ 12,118	\$ 315,531
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 271	\$ -	\$ 319	\$ 1,081	\$ 7,881	\$ 12,118	\$ 315,531
LIABILITIES							
Due to other funds	\$ 597	\$ 411	\$ -	\$ -	\$ 1,025	\$ 392	\$ -
TOTAL LIABILITIES	597	411	-	-	1,025	392	-
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	6,856	11,726	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	6,856	11,726	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	319	1,081	-	-	315,531
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(326)	(411)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(326)	(411)	319	1,081	-	-	315,531
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 271	\$ -	\$ 319	\$ 1,081	\$ 7,881	\$ 12,118	\$ 315,531

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	PD GHSP Grant	Municipal Planning Grant	VT Community Foundation	UWAC Media	Rise VT	Rise VT Hub	VT Government Council
ASSETS							
Cash and cash equivalents	\$ 1,734	\$ -	\$ 2,955	\$ 29	\$ 27	\$ 479	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	250	-	-	-	-	-
TOTAL ASSETS	\$ 1,734	\$ 250	\$ 2,955	\$ 29	\$ 27	\$ 479	\$ -
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ 1,005	\$ -	\$ -	\$ 99	\$ -
TOTAL LIABILITIES	-	-	1,005	-	-	99	-
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	250	-	-	-	380	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	250	-	-	-	380	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,734	-	1,950	29	27	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,734	-	1,950	29	27	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 1,734	\$ 250	\$ 2,955	\$ 29	\$ 27	\$ 479	\$ -

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Stoney Hill NBRC	Cemetery Fund	FD/AFG Grant	VT Afterschool Hub	ARPA	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 10,000	\$ -	\$ 2,201	\$ -	\$ 495,397
Accounts receivable	-	-	-	-	-	2,000
Due from other funds	-	-	-	-	-	141,363
TOTAL ASSETS	\$ -	\$ 10,000	\$ -	\$ 2,201	\$ -	\$ 638,760
LIABILITIES						
Due to other funds	\$ 17,349	\$ -	\$ 7,967	\$ 824	\$ -	\$ 38,341
TOTAL LIABILITIES	17,349	-	7,967	824	-	38,341
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	20,564
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	20,564
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	10,000	-	1,377	-	606,196
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	(17,349)	-	(7,967)	-	-	(26,341)
TOTAL FUND BALANCES (DEFICITS)	(17,349)	10,000	(7,967)	1,377	-	579,855
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ -	\$ 10,000	\$ -	\$ 2,201	\$ -	\$ 638,760

See accompanying independent auditor’s report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Record Restoration	Recreation Department	Conservation Fund	Reappraisal Account	Lister Education	Forfeiture Cash	Bristol Flood Relief
REVENUES							
Investment income, net of realized/unrealized gains/(losses)	\$ 7	\$ 27	\$ 91	\$ 204	\$ 2	\$ 3	\$ 2
Other income	20,279	1,670	3,938	14,255	-	-	-
TOTAL REVENUES	20,286	1,697	4,029	14,459	2	3	2
EXPENDITURES							
Program expenses	16,879	1,835	224	-	-	-	-
TOTAL EXPENDITURES	16,879	1,835	224	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,407	(138)	3,805	14,459	2	3	2
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	10,000	5,000	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	10,000	5,000	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	3,407	(138)	13,805	19,459	2	3	2
FUND BALANCES (DEFICITS) - JULY 1	29,299	13,749	53,953	125,831	2,923	3,153	1,657
FUND BALANCES (DEFICITS) - JUNE 30	\$ 32,706	\$ 13,611	\$ 67,758	\$ 145,290	\$ 2,925	\$ 3,156	\$ 1,659

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	VT Afterschool Summer	EAB Plan	HUB Food	UWAC	VT Community Foundation	Pass Thru Grants	Holley Hall Acoustics
REVENUES							
Investment income, net of realized/unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	1,013	148	-	5,000	10,999	-
TOTAL REVENUES	<u>-</u>	<u>1,013</u>	<u>148</u>	<u>-</u>	<u>5,000</u>	<u>10,999</u>	<u>-</u>
EXPENDITURES							
Program expenses	288	925	148	28	59	10,603	-
TOTAL EXPENDITURES	<u>288</u>	<u>925</u>	<u>148</u>	<u>28</u>	<u>59</u>	<u>10,603</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(288)</u>	<u>88</u>	<u>-</u>	<u>(28)</u>	<u>4,941</u>	<u>396</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(288)</u>	<u>88</u>	<u>-</u>	<u>(28)</u>	<u>4,941</u>	<u>396</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053</u>	<u>-</u>	<u>-</u>	<u>593</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (288)</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 1,025</u>	<u>\$ 4,941</u>	<u>\$ 396</u>	<u>\$ 593</u>

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	SHSO Fund	Fundraising Ski Package	UWAC Summer	Historic Signs	UWAC HUB	Prep '18	Stoney Hill Sale
REVENUES							
Investment income, net of realized/unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 237
Other income	1,461	-	-	-	65	1,865	-
TOTAL REVENUES	1,461	-	-	1	65	1,865	237
EXPENDITURES							
Program expenses	1,437	1,132	-	-	65	1,865	-
TOTAL EXPENDITURES	1,437	1,132	-	-	65	1,865	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24	(1,132)	-	1	-	-	237
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	24	(1,132)	-	1	-	-	237
FUND BALANCES (DEFICITS) - JULY 1	(350)	721	319	1,080	-	-	315,294
FUND BALANCES (DEFICITS) - JUNE 30	\$ (326)	\$ (411)	\$ 319	\$ 1,081	\$ -	\$ -	\$ 315,531

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	PD GHSP Grant	Municipal Planning Grant	VT Community Foundation	UWAC Media	Rise VT	Rise VT Hub	VT Government Council
REVENUES							
Investment income, net of realized/unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	6,007	3,916	2,955	-	27	426.00	2,215
TOTAL REVENUES	6,007	3,916	2,955	-	27	426	2,215
EXPENDITURES							
Program expenses	4,273	-	1,005	971	-	426	2,215
TOTAL EXPENDITURES	4,273	-	1,005	971	-	426	2,215
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,734	3,916	1,950	(971)	27	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	1,734	3,916	1,950	(971)	27	-	-
FUND BALANCES (DEFICITS) - JULY 1	-	(3,916)	-	1,000	-	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,734	\$ -	\$ 1,950	\$ 29	\$ 27	\$ -	\$ -

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Stoney Hill NBRC	Cemetery Fund	FD/AFG Grant	VT Afterschool Hub	ARPA	Total
REVENUES						
Investment income, net of realized/unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574
Other income	59,620	-	117,636	7,857	-	261,352
TOTAL REVENUES	59,620	-	117,636	7,857	-	261,926
EXPENDITURES						
Program expenses	54,920	-	125,603	6,480	-	231,381
TOTAL EXPENDITURES	54,920	-	125,603	6,480	-	231,381
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,700	-	(7,967)	1,377	-	30,545
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	15,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	15,000
NET CHANGE IN FUND BALANCES (DEFICITS)	4,700	-	(7,967)	1,377	-	45,545
FUND BALANCES (DEFICITS) - JULY 1	(22,049)	10,000	-	-	-	534,310
FUND BALANCES (DEFICITS) - JUNE 30	\$ (17,349)	\$ 10,000	\$ (7,967)	\$ 1,377	\$ -	\$ 579,855

See accompanying independent auditor’s report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Howden Hall Reserve	Equipment Fund	Building Fund	Fire Department Fund	Police Vehicle Fund	Police Capital Equipment
ASSETS						
Cash and cash equivalents	\$ 1,226	\$ 10,715	\$ 210,466	\$ 127,182	\$ 7,413	\$ 13,807
TOTAL ASSETS	\$ 1,226	\$ 10,715	\$ 210,466	\$ 127,182	\$ 7,413	\$ 13,807
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	10,636	-	1,449	-
TOTAL LIABILITIES	-	-	10,636	-	1,449	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	1,226	10,715	199,830	127,182	5,964	13,807
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,226	10,715	199,830	127,182	5,964	13,807
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,226	\$ 10,715	\$ 210,466	\$ 127,182	\$ 7,413	\$ 13,807

SCHEDULE G (CONTINUED)
TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Fire Vehicle Reserve	Technology Reserve	Main Street Project	West St Water Line	West St	Sidewalk Fund
ASSETS						
Cash and cash equivalents	\$ 190,649	\$ 8,860	\$ -	\$ -	\$ -	\$ 66,418
TOTAL ASSETS	\$ 190,649	\$ 8,860	\$ -	\$ -	\$ -	\$ 66,418
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 4,430	\$ -	\$ -
Due to other funds	-	3,138	304,810	1,459	250	-
TOTAL LIABILITIES	-	3,138	304,810	5,889	250	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	190,649	5,722	-	-	-	66,418
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	(304,810)	(5,889)	(250)	-
TOTAL FUND BALANCES (DEFICITS)	190,649	5,722	(304,810)	(5,889)	(250)	66,418
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 190,649	\$ 8,860	\$ -	\$ -	\$ -	\$ 66,418

SCHEDULE G (CONTINUED)
TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	<u>Water Planning Loan 2020</u>	<u>Elementary School Drainage</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 636,736
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,736</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 4,430
Due to other funds	26,611	843	349,196
TOTAL LIABILITIES	<u>26,611</u>	<u>843</u>	<u>353,626</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	-	262,789
Committed	-	-	358,724
Assigned	-	-	-
Unassigned	(26,611)	(843)	(338,403)
TOTAL FUND BALANCES (DEFICITS)	<u>(26,611)</u>	<u>(843)</u>	<u>283,110</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,736</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Howden Hall Reserve	Equipment Fund	Building Fund	Fire Department Fund	Police Vehicle Fund	Police Capital Equipment
REVENUES						
Investment income, net of realized/unrealized gains/(losses)	\$ 1	\$ 7	\$ 311	\$ 151	\$ 18	\$ 13
Other income	-	75	-	10,070	-	300
TOTAL REVENUES	<u>1</u>	<u>82</u>	<u>311</u>	<u>10,221</u>	<u>18</u>	<u>313</u>
EXPENDITURES						
Capital outlay	-	153,308	29,884	7,942	39,630	3,405
TOTAL EXPENDITURES	<u>-</u>	<u>153,308</u>	<u>29,884</u>	<u>7,942</u>	<u>39,630</u>	<u>3,405</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1</u>	<u>(153,226)</u>	<u>(29,573)</u>	<u>2,279</u>	<u>(39,612)</u>	<u>(3,092)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	135,000	30,000	25,000	12,500	3,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>135,000</u>	<u>30,000</u>	<u>25,000</u>	<u>12,500</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>1</u>	<u>(18,226)</u>	<u>427</u>	<u>27,279</u>	<u>(27,112)</u>	<u>(92)</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>1,225</u>	<u>28,941</u>	<u>199,403</u>	<u>99,903</u>	<u>33,076</u>	<u>13,899</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,226</u>	<u>\$ 10,715</u>	<u>\$ 199,830</u>	<u>\$ 127,182</u>	<u>\$ 5,964</u>	<u>\$ 13,807</u>

SCHEDULE H (CONTINUED)
TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Fire Vehicle Reserve	Technology Reserve	Main Street Project	West St Water Line	West St	Sidewalk Fund
REVENUES						
Investment income, net of realized/unrealized gains/(losses)	\$ 680	\$ 6	\$ -	\$ -	\$ -	\$ 24
Other income	48,000	-	88,331	-	-	-
TOTAL REVENUES	48,680	6	88,331	-	-	24
EXPENDITURES						
Capital outlay	304,800	8,675	235,083	-	-	27,946
TOTAL EXPENDITURES	304,800	8,675	235,083	-	-	27,946
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(256,120)	(8,669)	(146,752)	-	-	(27,922)
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	7,000	-	-	-	35,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	100,000	7,000	-	-	-	35,000
NET CHANGE IN FUND BALANCES (DEFICITS)	(156,120)	(1,669)	(146,752)	-	-	7,078
FUND BALANCES (DEFICITS) - JULY 1	346,769	7,391	(158,058)	(5,889)	(250)	59,340
FUND BALANCES (DEFICITS) - JUNE 30	\$ 190,649	\$ 5,722	\$ (304,810)	\$ (5,889)	\$ (250)	\$ 66,418

SCHEDULE H (CONTINUED)
TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Water Planning Loan 2020	Elementary School Drainage	Total
REVENUES			
Investment income, net of realized/unrealized gains/(losses)	\$ -	\$ -	\$ 1,211
Other income	-	-	146,776
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>147,987</u>
EXPENDITURES			
Capital outlay	26,611	843	838,127
TOTAL EXPENDITURES	<u>26,611</u>	<u>843</u>	<u>838,127</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(26,611)</u>	<u>(843)</u>	<u>(690,140)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	347,500
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>347,500</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(26,611)	(843)	(342,640)
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>-</u>	<u>625,750</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (26,611)</u>	<u>\$ (843)</u>	<u>\$ 283,110</u>

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Bristol, Vermont that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including provision for the maintenance of cemeteries in the Town of Bristol, Vermont.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	Martha Parker Fund	Peveril Peake Fund	A. Johnson Estate Fund	Total
ASSETS				
Cash and cash equivalents	\$ 650	\$ 4,541	\$ 190	\$ 5,381
Investments	17,700	-	106,942	124,642
TOTAL ASSETS	\$ 18,350	\$ 4,541	\$ 107,132	\$ 130,023
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	17,700	-	-	17,700
Restricted	650	4,541	107,132	112,323
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	18,350	4,541	107,132	130,023
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,350	\$ 4,541	\$ 107,132	\$ 130,023

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Martha Parker Fund	Peveril Peake Fund	A. Johnson Estate Fund	Total
REVENUES				
Investment income, net of realized/unrealized gains/(losses)	\$ 228	\$ 3	\$ 2,250	\$ 2,481
TOTAL REVENUES	<u>228</u>	<u>3</u>	<u>2,250</u>	<u>2,481</u>
EXPENDITURES				
Program expenses	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	228	3	2,250	2,481
FUND BALANCES - JULY 1	<u>18,122</u>	<u>4,538</u>	<u>104,882</u>	<u>127,542</u>
FUND BALANCES - JUNE 30	<u>\$ 18,350</u>	<u>\$ 4,541</u>	<u>\$ 107,132</u>	<u>\$ 130,023</u>

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF BRISTOL, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2021

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Machinery, Equipment and Vehicles	Infrastructure	Total
General government	\$ 93,400	\$ 1,098,338	\$ 3,672	\$ 43,230	\$ 1,238,640
Public safety	443,900	2,908,976	947,883	-	4,300,759
Public works	145,292	322,869	1,830,488	5,252,959	7,551,608
Recreation	-	254,469	-	-	254,469
Water fund	21,000	-	65,243	3,084,145	3,170,388
Sewer fund	-	-	-	583,262	583,262
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Capital Assets	703,592	4,584,652	2,847,286	8,963,596	17,099,126
Less: Accumulated Depreciation	<hr/> -	<hr/> (880,839)	<hr/> (1,933,888)	<hr/> (2,446,090)	<hr/> (5,260,817)
Net General Capital Assets	<hr/> \$ 703,592	<hr/> \$ 3,703,813	<hr/> \$ 913,398	<hr/> \$ 6,517,506	<hr/> \$ 11,838,309

See accompanying independent auditor's report and notes to financial statements.

TOWN OF BRISTOL, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2021

	General Capital Assets 7/1/20	Net Additions	Deletions	General Capital Assets 6/30/21
General government	\$ 1,238,640	\$ -	\$ -	\$ 1,238,640
Public safety	3,952,180	348,579	-	4,300,759
Public works	6,814,680	736,928	-	7,551,608
Recreation	254,469	-	-	254,469
Water fund	3,149,388	21,000	-	3,170,388
Sewer fund	583,262	-	-	583,262
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Capital Assets	15,992,619	1,106,507	-	17,099,126
Less: Accumulated Depreciation	<u>(4,797,792)</u>	<u>(463,025)</u>	<u>-</u>	<u>(5,260,817)</u>
Net General Capital Assets	<u>\$ 11,194,827</u>	<u>\$ 643,482</u>	<u>\$ -</u>	<u>\$ 11,838,309</u>

See accompanying independent auditor's report and notes to financial statements.



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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
Bristol, Vermont

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, 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, 2021 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 November 21, 2022.

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.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. *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.

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www.rhrsmith.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 noted certain other matters that we reported to management of the Town of Bristol, Vermont in a separate letter dated July 25, 2022.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
November 21, 2022



Proven Expertise & Integrity

November 21, 2022

Selectboard
Town of Bristol
1 South Street
Bristol, Vermont 05443

We have audited 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 for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 18, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Bristol, Vermont are described in Note 1 of Notes to Financial Statements. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of Notes to Financial Statements, the Town of Bristol, Vermont changed accounting policies related to Governmental Accounting Standards Board (GASB Statement) No. 84, "*Fiduciary Activities*", GASB Statement No. 90, "*Majority Equity Interests*" and GASB Statement No. 93, "*Replacement of Interbank Offered Rates (paragraphs 4-11a)*" in 2021. There was no impact in the financial statements based on the cumulative effect of these accounting changes.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bristol, Vermont's financial statements were:

- Allowance for uncollectible accounts
- Depreciation expense which is based on the estimated useful lives of capital assets
- Pension related assets, liabilities and expenses which are based on actuarial valuations
- Accrued compensation
- Deferred revenues

Management's process for determining the above estimates is based on firm concepts and reasonable assumptions of both historical and future events. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reflected in the capital assets, other long-term obligations and fund balance footnotes.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. A schedule of any uncorrected misstatements has been presented to management with the management representation letter. We identified and proposed adjustments of misstatements as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 25, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Town of Bristol, Vermont’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Bristol, Vermont’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

However, we noted certain other matters that we reported to management of the Town of Bristol, Vermont in a separate letter dated July 25, 2022.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Selectboard and management of the Town of Bristol, Vermont and is not intended to be and should not be, used by anyone other than these specified parties.

Very Best,

RHR Smith & Company

RHR Smith & Company, CPAs



Proven Expertise & Integrity

July 25, 2022

Selectboard
Town of Bristol
1 South Street
PO Box 249
Bristol, Vermont 05443

REVISED MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Bristol as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Bristol's internal control. We did so to determine our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for expressing our opinion on the effectiveness of the Town of Bristol's internal control over financial reporting or compliance.

During our audit we became aware of several matters referred to as "management letter comments" that offer opportunities for strengthening internal control and improving operating efficiencies of the Town of Bristol. The following pages summarize our comments and suggestions on those matters.

This report is intended solely for the information and use of the Selectboard, management, and others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2021, where we expressed an unmodified opinion on our independent auditors' report dated November 21, 2022.

Bank Reconciliations:

While performing the audit for the above-mentioned fiscal year, we noted that bank reconciliations were not completed in a timely manner. We recommend that all bank reconciliations be completed and reviewed within 30 days of the bank statement date to help ensure accuracy and completeness of transactions in the correct reporting period and to help avoid material misstatements in the financial statements.

Land Fill Post Closure:

While performing the audit for the above-mentioned fiscal year, we noted that a cost estimate for post-closure of the city landfill was not completed. The Town did have a post-closure survey completed for the year however, per the Solid Waste Rules for Vermont, the post-closure survey must include a cost estimate for monitoring and maintenance for at least 30 years. We recommend a survey that includes a cost estimate be completed by a state certified environmental engineer to be compliant with the State of Vermont.

We would like to thank Valerie, Anthony, Peter and all of the staff at the Town of Bristol for their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,

A handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

RHR Smith & Company, CPAs