

**BOROUGH OF BRISTOL
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

Borough of Bristol
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2021

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To Borough Council
of the Borough of Bristol, Pennsylvania

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of the Borough of Bristol, Pennsylvania as of and for the year ended December 31, 2021 (and the Bristol Borough Recreation Authority as of and for the year ended December 31, 2021, a blended component unit of the Borough of Bristol), and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Borough of Bristol as of December 31, 2021 (and the Bristol Borough Recreation Authority as of December 31, 2021), and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Bristol and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bristol Borough's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bristol's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Bristol's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Management's discussion and analysis on pages 2A-2G and pension information on pages 37-42 and combining and individual nonmajor fund financial statements on pages 54-55 and budgetary information on pages 56-63 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hellmann & Company
Hellmann and Company
Morrisville, PA
July 27, 2022

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the financial statements of the Borough of Bristol for the calendar year ended December 31, 2021 has been prepared by the Borough's management. The information presented here should be read in conjunction with the Borough's financial statements immediately following this discussion and analysis.

Financial Highlights

- At the end of the current calendar year, the Borough's net position was \$43,526,890 resulting from an excess of its assets over its liabilities. Of this amount, \$22,070,703 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The Investment Fund (\$23,789,388) is the major component of this unrestricted net position. Voter approval is required to spend principle in this fund as stated in the Ordinance governing this fund.
- The Borough's property tax rate remained at 57.89 mills for calendar year 2021.
- The government's total net position increased by \$594,810.
- As of the close of the current fiscal year, the Borough of Bristol governmental funds reported combined ending fund balances of \$25,249,308 a decrease of \$269,377 in comparison with the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$20,694.
- The Borough implemented GASB Statement No. 75 in 2018, a new standard designed to improve accounting and financial reporting for OPEB (other post employment benefits), which requires the recording of any unfunded liability of its plans.
- The Non-Uniformed Pension Plan is 61.2% funded and the Police Pension Plan is 74.7% funded as of 12/31/2021 actuarial valuations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction and overview of the basic financial statements of the Borough of Bristol. The Borough's basic financial statements are comprised of:

- Government-wide financial statements, which provide both long-term and short-term information about the Borough's overall financial condition.
- Fund financial statements, which provide a more detailed look at major individual portions, or funds, of the Borough.
- Notes to the financial statements, which explain some of the information contained in the financial statements and provide more detailed data.
- Other supplementary information, which further explains and supports the information in the financial statements.

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

- An analysis of the government's overall financial position and results of operations that addresses both governmental and business-type activities and reasons for significant changes.
- An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund.
- A description of significant capital assets and long-term debt activity.
- A discussion by governments that use the modified approach.
- A description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Government-wide financial statements. The government-wide financial statements report information about the Borough as a whole using accounting methods similar to those used by a private-sector business. The two statements presented are:

The statement of net position, which includes all of the Borough's assets and liabilities, except for fiduciary funds, with the difference between the two reported as net position. Over time, increases or decreases in net position are an indicator of whether the Borough's financial position is improving or deteriorating.

The statement of activities presents revenues and expenses and their effect on the change in the Borough's net position during the current year. These changes in net position are recorded as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The government-wide financial statements of the Borough are reflected in two distinct categories:

- Governmental activities are primarily supported by taxes and state and federal grants. The governmental activities include the Borough's basic services such as general government, authorities, public safety and the financing activities of the Borough's presented component units: the Water and Sewer Authority and the Recreation Authority.
- Component unit is legally separate entities for which the Borough is financially accountable or has oversight responsibility. Financial information for these component units are reported separately from the financial information presented for the primary government.

A third category which is used by some entities is business-type activities. Business-type activities are supported by user fees and charges, which are intended to recover all or a significant portion of their costs.

Fund financial statements. The fund financial statements provide detailed information about the Borough's most significant funds, not the Borough as a whole. Funds are an

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

accounting tool for groupings of activities that enable the Borough to maintain control over resources that have been segregated for particular purposes or objectives. Some funds are required by state law. Other funds are established to control or manage resources designated for specific purpose. All of the funds of the Borough of Bristol can be divided into two categories: governmental funds and fiduciary funds.

- **Governmental funds.** The governmental funds are used to account for the financial activity of the Borough's basic services, similar to those described for the governmental activities in the government-wide financial statements.

However, unlike the government-wide statements, which provide a long-term focus of the Borough, the fund financial statements focus on a short-term view of the inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the calendar year. The financial information presented for the governmental fund is useful in evaluating the Borough's short-term financing requirements.

To help the reader of the financial statements better understand the relationships and differences between the long-term view of the government-wide financial statements from the short-term view of the fund financial statements, reconciliations are presented between the fund financial statements and the government-wide statements.

The Borough of Bristol maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, debt service fund, capital projects fund and investment fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- **Fiduciary funds.** The fiduciary funds are funds for which the Borough is the trustee or fiduciary. The Borough is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that are collected and held for others until the funds are allocated to the organizations, government agencies or private parties to which they belong. The Borough is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These fiduciary activities are reported in a separate statement of fiduciary net position and changes in fiduciary net position. They are not reflected in the government-

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

wide financial statements because the assets are not available to support the Borough's operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Borough's progress in funding its obligations to provide pension benefits to its employees:

- **Required supplementary information.** Certain information regarding pension plan funding progress for the Borough, as well as budgeted and actual revenues and expenditures for the Borough's general fund and major special revenue funds is presented in this section. This required supplementary information can be found immediately following the notes to the financial statements.
- **Other supplementary information.** Combining statements for non-major governmental fund and additional budgetary schedules for the Borough's non-major governmental funds is presented in this section. This supplementary information can be found immediately following the required supplementary information.

Government-wide Financial Analysis

Net position. As noted earlier, net position is a useful indicators of a government's financial position.

By far the largest portion of the Borough of Bristol net position (48%) reflects its investment in capital assets (e.g., land, buildings and systems, improvement other than buildings and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Borough of Bristol uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough of Bristol investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the Borough of Bristol's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$22,070,703) may be used to meet the government's ongoing obligations to citizens and creditors. The Investment fund is the major component of this unrestricted net position. Voter approval is required to spend principle in this fund as stated in the Ordinance governing this fund.

At the end of the current fiscal year, the Borough of Bristol is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net position increased by \$594,810 during the current fiscal year. Most of this increase represents the degree to which increases in ongoing revenue have outstripped similar increases in ongoing expenses.

Governmental activities. Governmental activities increased the Borough of Bristol's net position by \$75,697. Key elements of this increase are located on the Statement of Net Position spreadsheet.

- Property taxes revenue decreased by \$387,462. during the year.
- Operating and Capital Grants for governmental increased by \$152,705 over previous year amount of \$1,278,495.

For the most part, increases in expenses closely paralleled inflation and growth in the demand of services.

Financial Analysis of The Government's Funds

Governmental funds. The purpose of the Borough's governmental funds is to provide financial information on the short-term inflow, outflow and balance of spendable resources. This information is useful in assessing the Borough's ability to meet its near-term financing requirements. Unreserved fund balance serves as a useful measure of the Borough's net resources for spending at the end of the calendar year.

As of the end of the current fiscal year, the Borough of Bristol's governmental funds reported combined ending fund balances of \$25,249,308 a decrease of \$269,377 in comparison with the prior year. The total amount constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion other than reserves for inventory and prepaid items.

The general fund is the main operating fund of the Borough of Bristol. At the end of the current fiscal year, the unassigned fund balance of the general fund was

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

\$15,694 while total fund balance equals unassigned and assigned fund balance other than reserves for inventory and prepaid items.

The fund balance of the Borough of Bristol's general fund increased by \$429,260 during the current fiscal year. Key factors in this increase are as follows:

- The property tax revenue increase by \$31,615.
- Intergovernmental revenues of the general fund decreased by \$10,366, as a result of a decrease in state shared revenues.
- Public Safety and Highway expenditures increased by \$358,516.
- Charges for services increased by \$506,643.

The debt service fund has a total fund balance of \$154,429, all of which is reserved for the payment of debt service.

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

Unrestricted net position of the Water and Sewer Authority at the end of the year amounted to \$1,009,523. This represents decrease of \$166,073 over the prior year unrestricted net position of \$1,265,596. This fund primarily accounts for Sewer fixed assets and related debt. Other factors concerning the finances of this fund have already been addressed in the discussion of the Borough of Bristol's business-type activities.

General Fund Budgetary Highlights

The Borough Council adopts an annual calendar year budget in December for the following year. The Borough maintains control by departmental classification. The Borough adopts an operating budget that does not include reserves. The ending fund balance is available for unanticipated expenditures or revenues shortfalls or to fund the subsequent year budget.

Capital Asset and Debt Administration

Capital Assets. The Borough's capital assets amounts to \$23,849,457 net of accumulated depreciation, at the end of the current calendar year. These capital assets include items such as buildings, improvements other than buildings, machinery, equipment, and vehicles.

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term debt. At the end of the current fiscal year, the Borough of Bristol had total bonded debt outstanding of \$4,700,244. Of this amount, \$4,700,244 comprises debt backed by the full faith and credit of the government.

Economic Factors and Next Year's Budgets and Rates

The Borough of Bristol's population has basically remained the same from the 2021 Census figure of 9,852. The Borough has remained primarily a residential and small business community. According to the 2021 Census, the Borough's household median is \$60,028.

In preparing the 2021 Budget, payroll figures were based on union pay scales. In establishing the 2021 Budget, historical trends and vendor inquiries were used as the basis for services that are purchased. Real estate tax revenue were projected to remain steady due to no increase in tax millage.

Requests for information

This financial report is designed to provide a general overview of the Borough's finances for all interested parties. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Borough Manager at 250 Pond Street, Bristol, PA 19007 or email at jdillon@bristolboro.com.

BOROUGH OF BRISTOL
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$4,425,457	\$4,653,979	\$9,079,436
Investments at fair value	22,779,197		22,779,197
Interest receivable	61,122		61,122
Accounts receivable (net of allowance for uncollectibles)	276,628	2,464,610	2,741,238
Taxes receivable	129,334		129,334
Inventories	5,000	6,368	11,368
Due from Recreation Authority			0
Prepaid items			0
Other receivable			0
Capital assets (net of accumulated depreciation)			
Land	7,760,508		7,760,508
Buildings and systems	6,628,988	5,447,715	12,076,703
Improvements other than buildings	3,470,682		3,470,682
Machinery and equipment	541,564		541,564
Total assets	<u>46,078,480</u>	<u>12,572,672</u>	<u>58,651,152</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and OPEB	96,558	3,563	100,121
Deferred inflows related to pensions and OPEB	<u>(271,018)</u>	<u>(24,111)</u>	<u>(295,129)</u>
LIABILITIES			
Accounts payable and other current liabilities	1,290,302	310,532	1,600,834
Escrow payable	814,506		814,506
Noncurrent liabilities:			
Notes payable due within one year	189,000	324,416	513,416
Notes payable due in more than one year	885,000	3,301,828	4,186,828
Net Pension Liability	4,785,050	1,136,924	5,921,974
Net OPEB Obligation	1,493,435	43,596	1,537,031
Compensated absences	354,665		354,665
Total liabilities	<u>9,811,958</u>	<u>5,117,296</u>	<u>14,929,254</u>
NET POSITION			
Net investment in capital assets	17,327,742	3,443,210	20,770,952
Restricted for:			
Highways and streets	194,542		194,542
Culture and recreation	43,483	292,781	336,264
Debt service	154,429		154,429
Unrestricted	18,371,866	3,698,837	22,070,703
Total Net Position	<u>\$36,092,062</u>	<u>\$7,434,828</u>	<u>\$43,526,890</u>

The notes to financial statements are an integral part of this statement.

BOROUGH OF BRISTOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total
Primary government						
Governmental activities:						
General government	\$3,142,906	\$707,439		(\$1,483,856)		(\$1,483,856)
Public safety	4,047,932	46,840		(\$3,863,847)		(3,863,847)
Highways and streets	912,332	237,658	414,996	(\$259,678)		(259,678)
Public works	1,471,463	24,267		\$117,984		117,984
Culture and recreation	285,745			(\$234,745)		(234,745)
Interest on long-term debt	14,527			(\$14,527)		(14,527)
Total governmental activities	9,874,905	1,016,204	414,996	(\$5,738,669)	0	(5,738,669)
Business-type activities						
Sewer System	1,387,410				\$1,347,618	1,347,618
Water/Sewer Authority	417,630				(\$417,630)	(417,630)
Recreation Authority	162,056				(\$162,056)	(162,056)
Total business-type activities	1,967,096	0	0		767,932	767,932
Total primary government	\$11,842,001	\$1,016,204	\$414,996	(\$5,738,669)	767,932	(4,970,737)
General revenues:						
Property taxes				4,024,649		4,024,649
Real estate transfer taxes				356,447		356,447
Occupation taxes				131,265		131,265
Mechanical device and other taxes				4,766		4,766
Unrestricted investment earnings				450,895	19,780	470,675
Rent				239,191		239,191
Miscellaneous revenues				285,042		285,042
Transfers				322,111		322,111
Total general revenue and transfers				5,814,366	(248,819)	5,565,547
Change in net position				75,697	519,113	594,810
Net position-beginning				36,016,365	6,915,715	42,932,080
Net position-ending				\$36,092,062	\$7,434,828	\$43,526,890

The notes to financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

ASSETS	General	Capital Projects
Cash and Cash Equivalents	\$1,203,569	\$211,386
Investments at fair market value		
Receivables (net of allowance of uncollectibles)		
Taxes receivable (net of allowance of uncollectibles)	87,947	
Prepaid expense		
Interest receivable		
Due from other funds		
Other assets		
Inventory	5,000	
Total assets	\$1,296,516	\$211,386
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	183,473	3,150
Salaries and benefits payable	154,803	
Escrow		
Due to Pension funds	769,658	
Interest Payable - Pensions	76,931	
Other liabilities	3,010	
Total liabilities	1,187,875	3,150
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	87,947	
Total deferred inflows of resources	87,947	0
Fund balances:		
Nonspendable:		
Inventory	5,000	
Prepaid items		
Restricted:		
Capital projects		208,236
Debt service		
Capital development		
Capital reserve		
2008 GOB Note		
Investments		
Special revenue funds		
Assigned:		
Subsequent year's budget: appropriation of fund balance		
Unassigned:		
General fund (deficit)	15,694	
Total fund balances (deficits)	20,694	208,236
Total liabilities, deferred inflow of resources, and fund balances (deficits)	\$1,296,516	\$211,386

The notes to financial statements are an integral part of this statement.

<u>Debt Service</u>	<u>2008 GOB Note</u>	<u>Investments</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$154,429		\$949,069	\$1,907,004	\$4,425,457
		22,779,197		22,779,197
10,702			265,926	276,628
2,587			38,800	129,334
				0
		61,122		61,122
				0
				0
				5,000
<u>\$167,718</u>	<u>\$0</u>	<u>\$23,789,388</u>	<u>\$2,211,730</u>	<u>\$27,676,738</u>
			27,635	214,258
				154,803
			814,506	814,506
				769,658
				76,931
				3,010
<u>0</u>	<u>0</u>	<u>0</u>	<u>842,141</u>	<u>2,033,166</u>
13,289			293,028	394,264
<u>13,289</u>	<u>0</u>	<u>0</u>	<u>293,028</u>	<u>394,264</u>
				5,000
				0
				208,236
154,429				154,429
				0
				0
	0			0
		23,789,388		23,789,388
			1,076,561	1,076,561
				0
				15,694
<u>154,429</u>	<u>0</u>	<u>23,789,388</u>	<u>1,076,561</u>	<u>25,249,308</u>
<u>\$167,718</u>	<u>\$0</u>	<u>\$23,789,388</u>	<u>\$2,211,730</u>	<u>\$27,676,738</u>

**BOROUGH OF BRISTOL
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

Amounts reported for the governmental activities in the statement of net position (page 4) are different because:

Total fund balances - governmental funds (page 7)	\$25,249,308
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,401,742
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	394,264
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(7,953,252)</u>
Net position of governmental activities	<u><u>\$36,092,062</u></u>

The notes to financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

REVENUES	General	Capital Projects	Debt Service
Taxes:			
Property	\$2,726,351		\$104,520
Real estate transfer	356,447		
Local service	131,265		
Utility	4,766		
Other	0		
Rents	239,191		
Intergovernmental	206,283	102,359	
Charges for services	951,611		
Investment earnings	5,114	11,965	944
Fines and forfeits	137,245		
Miscellaneous	199,473	44,212	
Total revenues	<u>4,957,746</u>	<u>158,536</u>	<u>105,464</u>
EXPENDITURES			
Current:			
General government	1,617,121	9,792	8,000
Public safety	3,866,470		
Highways and streets	618,327		
Culture and recreation			
Miscellaneous		116,385	
Debt service:			
Principal			92,000
Interest			5,690
Capital outlay:			
General government	60,566		
Public safety		28,482	
Highways and streets		106,001	
Culture and recreation			
Total expenditures	<u>6,162,484</u>	<u>260,660</u>	<u>105,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,204,738)</u>	<u>(102,124)</u>	<u>(226)</u>
OTHER FINANCING SOURCES (USES)			
Note proceeds			
Transfers in	1,633,998	115,629	41,500
Transfers out			(25,000)
Total other financing sources and uses	<u>1,633,998</u>	<u>115,629</u>	<u>16,500</u>
Net change in fund balances	429,260	13,505	16,274
Fund balances - beginning	(408,566)	194,731	138,155
Fund balances - ending	<u>\$20,694</u>	<u>\$208,236</u>	<u>\$154,429</u>

The notes to the financial statements are an integral part of this statement.

2008 GOB Note	Investments	Other Governmental Funds	Total Governmental Funds
		\$1,194,071	\$4,024,942
			356,447
			131,265
			4,766
			0
			239,191
		1,122,558	1,431,200
		1,544,276	2,495,887
	422,488	10,384	450,895
			137,245
		41,357	285,042
0	422,488	3,912,646	9,556,880
	627,665	1,545,050	3,807,628
		373,940	4,240,410
		188,523	806,850
		271,048	271,048
			116,385
97,000			189,000
8,837			14,527
			60,566
			28,482
		492,774	598,775
		14,697	14,697
105,837	627,665	2,886,032	10,148,368
(105,837)	(205,177)	1,026,614	(591,488)
105,837			0
			1,896,964
	(381,985)	(1,167,868)	(1,574,853)
105,837	(381,985)	(1,167,868)	322,111
0	(587,162)	(141,254)	(269,377)
0	24,376,550	1,217,815	25,518,685
\$0	\$23,789,388	\$1,076,561	\$25,249,308

**BOROUGH OF BRISTOL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Amounts reported for the governmental activities in the statement of activities (page 4) are different because:

Net change in fund balances-total governmental funds (page 7)	(\$269,377)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were less than depreciation in the current period.	(138,991)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	71,611
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	189,000
--	---------

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.	<u>223,454</u>
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Change in net position of governmental activities (page 4)	<u><u>\$75,697</u></u>
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The notes to financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Taxes	\$3,144,593	\$3,218,830	\$74,237
Licenses and permits	510,450	951,612	441,162
Fines	132,000	137,245	5,245
Intergovernmental	192,029	206,283	14,254
Investment earnings	1,000	5,114	4,114
Rents	234,888	239,191	4,303
Miscellaneous revenues and parking meter collections	197,000	199,471	2,471
Total revenues	<u>4,411,960</u>	<u>4,957,746</u>	<u>545,786</u>
EXPENDITURES			
Current:			
General government:			
Finance and administration	452,491	447,186	5,305
Legal	90,000	117,473	(27,473)
Other - unclassified	669,575	971,603	(302,028)
Total general government	<u>1,212,066</u>	<u>1,536,262</u>	<u>(324,196)</u>
Public safety:			
Police	3,107,653	3,220,534	(112,881)
Fire	26,600	21,461	5,139
Inspection	106,500	321,416	(214,916)
Planning & Zoning	309,077	302,469	6,608
Health & welfare	620	590	30
Total public safety	<u>3,550,450</u>	<u>3,866,470</u>	<u>(316,020)</u>
Highways and streets:			
Highway department	619,500	618,327	1,173
Solid waste collection & disposal	0	0	0
Engineering	70,000	80,859	(10,859)
Total highways and streets	<u>689,500</u>	<u>699,186</u>	<u>(9,686)</u>
Capital outlay:			
General government	69,000	60,566	8,434
Public safety:			
Police	0	0	0
Total capital outlay	<u>69,000</u>	<u>60,566</u>	<u>8,434</u>
Total expenditures	<u>5,521,016</u>	<u>6,162,484</u>	<u>(641,468)</u>
Excess of revenues over expenditures	<u>(1,109,056)</u>	<u>(1,204,738)</u>	<u>(95,682)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,159,056	1,633,998	474,942
Total other financing sources and uses	<u>1,159,056</u>	<u>1,633,998</u>	<u>474,942</u>
Net change in fund balances	50,000	429,260	379,260
Fund balances - beginning	(50,000)	(408,566)	(358,566)
Fund balances - ending	<u>\$0</u>	<u>\$20,694</u>	<u>\$20,694</u>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

**Business-type Activities-
Enterprise Funds**

	<u>Sewer System Current Year</u>	<u>Water/Sewer Authority Current Year</u>	<u>Recreation Authority FYE 12/31/21</u>	<u>Totals Current Year</u>
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$1,591,296	\$1,621,740	\$1,440,943	4,653,979
Accounts receivable (net of allowance for uncollectibles)	2,313,410		151,200	2,464,610
Due from Recreation Authority				0
Due from Sewer Revenue Fund		1,103,245		1,103,245
Prepaid expense				0
Inventory of supplies	6,368			6,368
Total Current Assets	<u>3,911,074</u>	<u>2,724,985</u>	<u>1,592,143</u>	<u>8,228,202</u>
Capital assets:				
Buildings and system		12,778,095		12,778,095
Less accumulated depreciation		(7,330,380)		(7,330,380)
Total capital assets (net of accumulated depreciation)	0	5,447,715	0	5,447,715
Total noncurrent assets	0	5,447,715	0	5,447,715
Total assets	<u>\$3,911,074</u>	<u>\$8,172,700</u>	<u>\$1,592,143</u>	<u>13,675,917</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	3,563			3,563
Deferred inflows related to pensions	(24,111)			(24,111)
LIABILITIES				
Accounts payable	42,877	3,723		46,600
Accrued liabilities	92,892		13,806	106,698
Deferred revenue				0
Due to Non-Uniformed Pension Fund	157,234			157,234
Due to Water/Sewer Authority	1,103,245			1,103,245
Total current liabilities	<u>1,396,248</u>	<u>3,723</u>	<u>13,806</u>	<u>1,413,777</u>
Current liabilities payable from restricted assets:				
Revenue bonds and notes payable		324,416		324,416
Total current liabilities payable from restricted assets	<u>0</u>	<u>324,416</u>	<u>0</u>	<u>324,416</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)		925,828		925,828
Notes payable, net of current portion		2,376,000		2,376,000
Net OPEB Liability	43,596			43,596
Net pension Liability	1,136,924			1,136,924
Total noncurrent liabilities	<u>1,180,520</u>	<u>3,301,828</u>	<u>0</u>	<u>4,482,348</u>
Total Liabilities	<u>2,576,768</u>	<u>3,629,967</u>	<u>13,806</u>	<u>6,220,541</u>
NET POSITION				
Net investment in capital assets	0	3,443,210	0	3,443,210
Restricted	0	0	292,781	292,781
Unrestricted	1,313,758	1,099,523	1,285,556	3,698,837
Total net position	<u>\$1,313,758</u>	<u>\$4,542,733</u>	<u>\$1,578,337</u>	<u>\$7,434,828</u>

The notes to the financial statements are an integral part of this statement.

BOROUGH OF BRISTOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Business-type Activities-
Enterprise Funds

	<u>Sewer System Current Year</u>	<u>Water/Sewer Authority Current Year</u>	<u>Recreation Authority FYE 12/31/21</u>	<u>Totals</u>
Operating revenues:				
Charges for sales and services:				
Sewer charges	\$2,735,028			\$2,735,028
Other services	7,754			7,754
State grant/loan reimbursements	0			0
Miscellaneous revenues	21,335		24,423	45,758
Total Operating revenues	<u>2,764,117</u>	<u>0</u>	<u>24,423</u>	<u>2,788,540</u>
Operating expenses:				
Salaries and wages	372,250			372,250
Operating supplies and expenses	203,824			203,824
Plant and equipment maintenance	222,297	4,265		226,562
Administrative expense	511,818		162,056	673,874
Depreciation expense		413,365		413,365
Total operating expenses	<u>1,310,189</u>	<u>417,630</u>	<u>162,056</u>	<u>1,889,875</u>
Operating income	<u>1,453,928</u>	<u>(417,630)</u>	<u>(137,633)</u>	<u>898,665</u>
Nonoperating revenues (expenses):				
Investment earnings	11,799	7,895	86	19,780
Interest expense	(77,221)			(77,221)
Bristol Borough Reimbursement				0
Loss on Sale of Fixed Assets				0
Miscellaneous				0
Total nonoperating revenue (expenses)	<u>(65,422)</u>	<u>7,895</u>	<u>86</u>	<u>(57,441)</u>
Income before contributions and transfers	<u>1,388,506</u>	<u>(409,735)</u>	<u>(137,547)</u>	<u>841,224</u>
Transfers in		610,833		610,833
Transfers out	(932,944)			(932,944)
Change in net position	455,562	201,098	(137,547)	519,113
Net position-beginning	858,196	4,341,635	1,715,884	6,915,715
Net position-ending	<u>\$1,313,758</u>	<u>\$4,542,733</u>	<u>\$1,578,337</u>	<u>\$7,434,828</u>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities- Enterprise Funds			Totals
	Sewer System Current Year	Water/Sewer Authority Current Year	Recreation Authority FYE 12/31/21	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$2,704,900			\$2,704,900
Payments to suppliers and system manager	(964,689)	(12,169)	(162,056)	(\$1,138,914)
Payments to employees	(357,363)			(\$357,363)
Miscellaneous	21,335		24,423	\$45,758
Net cash provided (used) by operating activities	<u>1,404,183</u>	<u>(12,169)</u>	<u>(137,633)</u>	<u>1,254,381</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds		610,833		610,833
Transfer to other funds	(932,944)			(932,944)
Advances from other funds				0
Payment to Bristol Borough				0
Net cash provided (used) by noncapital and related financing activities	<u>(932,944)</u>	<u>610,833</u>	<u>-</u>	<u>(322,111)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt				0
Purchases of capital assets		(461,471)		(461,471)
Sale of Recreation Authority - Net				0
Principal paid on capital debt	(173,610)	(144,000)		(317,610)
Interest paid on capital debt	(77,221)			(77,221)
Net cash provided (used) by capital and related financing activities	<u>(250,831)</u>	<u>(605,471)</u>	<u>-</u>	<u>(856,302)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	11,799	7,895	86	19,780
Net cash provided (used) by investing activities	<u>11,799</u>	<u>7,895</u>	<u>86</u>	<u>19,780</u>
Net increase in cash and cash equivalents	232,207	1,088	(137,547)	95,748
Cash and cash equivalents, January 1	1,359,089	1,620,652	1,578,490	4,558,231
Cash and cash equivalents, December 31	<u>\$1,591,296</u>	<u>\$1,621,740</u>	<u>\$1,440,943</u>	<u>\$4,653,979</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	<u>1,453,928</u>	<u>(\$417,630)</u>	<u>(\$137,633)</u>	<u>\$898,665</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense		413,365		413,365
Pension expense	28,388			28,388
(Increase) decrease in accounts receivable	(37,882)			(37,882)
(Increase) Decrease in prepaid expense				0
Increase (decrease) in accounts payable and accrued liabilities	(40,251)	(7,904)		(48,155)
Increase (decrease) in deferred revenue				0
Decrease in inventory				0
Total adjustments	<u>(49,745)</u>	<u>405,461</u>	<u>0</u>	<u>355,716</u>
Net cash provided by operating activities	<u>\$1,404,183</u>	<u>(\$12,169)</u>	<u>(\$137,633)</u>	<u>\$1,254,381</u>
Noncash investing, capital, and financing activities:				
NONE				

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021**

	Employees' Pension Fund	Police Pension Fund
ASSETS		
Cash and Cash Equivalents	\$91,084	\$158,783
Accounts receivable	516,012	487,811
Investments, at fair value:		
Corporate Bonds		
Government Securities		
Mutual funds/ETFS:		
Equity	2,137,067	3,756,811
Fixed income	1,399,005	2,459,146
International	794,973	1,397,224
Total investments	4,331,045	7,613,181
Total assets	4,938,141	8,259,775
LIABILITIES		
Accrued Investment Expense		
Pensions Payable		
Due to Police Pension Plan		
Due to Non-Uniformed Pension Plan		
Refund of Employee Contributions		
Total Liabilities	-	-
NET POSITION		
Net Position held in trust for pension benefits and other purposes	\$4,938,141	\$8,259,775

The notes to financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Employees' Pension Fund	Police Pension Fund
ADDITIONS		
Contributions:		
State Aid	\$ 81,554	\$ 124,729
Employer	476,198	381,391
Plan Member	87,550	113,198
Total Contributions	<u>645,302</u>	<u>619,318</u>
Investment earnings:		
Interest and dividends	156,360	185,989
Net (decrease) increase in the fair value of investments	643,979	797,445
Total investment earnings	<u>800,339</u>	<u>983,434</u>
Less investment expense	(17,228)	(30,988)
Net investment earnings	<u>783,111</u>	<u>952,446</u>
Total additions	<u>1,428,413</u>	<u>1,571,764</u>
DEDUCTIONS		
Benefits	559,852	396,410
Refund of Employee Contributions	0	54,890
Administrative expenses	4,405	6,850
Investment management expenses	0	0
Total deductions	<u>564,257</u>	<u>458,150</u>
Change in net position	864,156	1,113,614
Net position - beginning	4,073,985	7,146,161
Net position - ending	<u>\$ 4,938,141</u>	<u>\$ 8,259,775</u>

The notes to financial statements are an integral part of this statement.

BOROUGH OF BRISTOL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

I. Summary of significant accounting policies

A. Reporting entity

The Borough of Bristol, County of Bucks, Commonwealth of Pennsylvania, was founded in 1681. The Borough operates under the Borough code under the laws of the Commonwealth of Pennsylvania and is governed by an elected borough council and a board-appointed Borough Manager.

The Borough of Bristol provides a full range of municipal services. These services include police protection; fire protection; park and recreation activities; highway maintenance and reconstruction operations; refuse; water and sewer services; and general administrative services.

The component units of the Borough consist of the Bristol Borough Water and Sewer Authority and the Bristol Borough Recreation Authority. All fixed assets including the rink building were sold on August 31, 2020 and all operation ceased.

Financial data of the Water and Sewer Authority is available in our financial statement of the component unit dated July 7, 2022. It is also included in these financial statements as a blended component unit. Financial data of the Recreation Authority as of December 31, 2021 is also included here as a blended component unit.

Blended component unit. The Water and Sewer Authority provides sewer services to the Borough and surrounding portions of the Borough of Bristol. The Borough guaranteed the following Water and Sewer Debt as of December 31, 2007 – Guaranteed Sewer Revenue Bonds – Series of 1977 (\$290,000), Guaranteed Sewer Revenue Bonds – Series of 1998 (\$340,000), which was issued under the First Supplemental Trust Indenture dated February 1, 1998, supplementing the Trust Indenture dated as of January 15, 1977 and the General Obligation Note – Series of 2002 (\$75,000). These were all paid off as of December 31, 2007. New Sewer Revenue Notes were issued in 2016 in the amount of \$3,215,000.

B. Government-wide and fund financial statements

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

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The *debt service fund* accounts for the resources accumulated and payments made for principle and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and fiduciary funds.)

The *investment fund* accounts for revenues collected through investments.

The *capital development fund* accounts for transfers to partially pay off the 2008 GOB note.

The *2008 GOB note fund* accounts for transfers to partially pay off the 2008 GOB note.

The government reports the following major proprietary funds:

The *sewer revenue fund* accounts for revenues and expenses related to the operation of the Borough's sanitary sewer system.

Additionally, the government reports the following fund types:

The *police pension trust fund* accounts for the accumulation of resources for pension benefit payments to qualified uniformed police officers.

The *non-uniformed pension trust fund* accounts for the accumulation of resources for pension benefit payments to qualified employees of the Borough other than uniformed officers.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water revenue fund, and of the sewer revenue fund are charges to customers for sales and services. The water and sewer revenue funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first; then unrestricted resources as they are needed.

D. Use of 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 assets and liabilities and disclosure of contingent assets and liabilities at December 31, 2021 and the reported revenues and expenses for the year then ended. Actual results could differ from those estimates.

E. Assets, liabilities, and net position or equity

1. Deposits and investments

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. Investments for the government are reported at fair value.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. There is no property tax receivable allowance at December 31, 2021 because all taxes will be collected within two years.

Property taxes are levied as of March 1 on property values assessed as of the same date. The billings are considered past due 60 days after the respective tax billing date, at which time the applicable property is subject to lien and penalties and interest are assessed.

3. *Prepaid items*

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

4. *Restricted assets*

Certain proceeds of the Borough's sewer fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

5. *Capital assets*

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the Borough during the current fiscal year was \$0. Of this amount, \$0 was included as part of the cost of capital assets under construction in connection with construction projects.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

6. *Deferred outflows/inflows of resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Borough has one item that qualifies for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and is the result of the net difference between projected and actual earnings on pension plan investments.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows and 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. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from

two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. *Net position flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. *Fund balance flow assumptions*

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

9. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the borough manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

10. *Compensated absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

11. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are

deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance- total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$7,953,252 difference are as follows:

Bonds and notes payable	\$1,074,000
Net Pension Liability	4,785,050
Deferred Outflows – Pensions	174,460
Net OPEB Obligation	1,493,435
Accrued Liability – OPEB	71,642
Compensated Absences	<u>354,665</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$7,953,252</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and charges in fund balances includes a reconciliation between net changes in fund balances- total governmental funds and changes in net assets of governmental activities as reported in the government- wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$138,991 difference are as follows:

Capital outlay	\$521,775
Depreciation expense	<u>(660,766)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$(138,991)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$189,000 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation notes	\$ 0
Less amortized discounts and issue costs	
Principal repayments	<u>189,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$189,000</u>

Another element of that reconciliation states that “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 government funds”. The details of this \$223,454 difference are as follows:

Compensated Absences	\$26,809
Pension Expense Adjustment	<u>196,645</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$223,454</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All appropriations lapse at fiscal year end.

All agencies of the government submit request for appropriations to the borough’s manager and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. The government’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Borough Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Borough Council made several budgetary appropriations throughout the year. The supplemental budgetary appropriations made in the general fund were not material.

Encumbrance accounting is employed in governmental funds. Any encumbrances (e.g., purchase orders, contracts) outstanding at yearend are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no outstanding encumbrances at year-end in 2021.

B. Excess of expenditures over appropriations

For the year ended December 31, 2021, expenditures exceeded appropriations in the following funds. These over-expenditures were funded by available fund balances in the case of the following funds:

	<u>Excess</u>
General Fund	\$641,468
Recreation Fund	43,057
Road Reconstruction Fund	51,511
Investment Fund	622,165

C. Deficit fund equity

None

IV. Detailed notes on all funds

A. Deposits and Investments

At year-end, the carrying amount of the Borough's deposits with financial institutions was \$6,266,621 and the bank balance was \$6,644,293, which was categorized as follows:

	<u>Carry Amount</u>	<u>Bank Balance</u>	<u>Financial Institution</u>
Insured (FDIC)	\$250,000	\$250,000	Penn Community Bank
Collateralized (Pool)	4,816,524	5,194,196	Penn Community Bank
Collateralized	949,069	949,069	PLGIT/US Bank
Collateralized	1,161	1,161	PLGIT
Collateralized	<u>249,867</u>	<u>249,867</u>	Janney Montgomery Scott
Total Deposits	<u>\$6,266,621</u>	<u>\$6,644,293</u>	

At the end of the year, the Borough's cash balances were fully insured and collateralized. Penn Community Bank collateralized Borough deposits by the pool of eligible securities established under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly for the Protection of Public depositors. Some of the Borough funds are part of an internal investment pool.

All Borough investments are held by the Police Pension and Non-uniformed Pension Plans and the Investment fund.

Custodial credit risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. As of December 31, 2021, the Borough's deposits were not exposed to any custodial credit risk. All accounts are fully insured and collateralized. The Police and Non-uniformed Pension Plans are held by Janney Montgomery Scott, LLC. The pension monies are invested in various mutual funds. The Police and Non-uniformed Pension Plans and Investment fund are presented below with the level of risk assumed by the Borough at year end.

Investments as of December 31, 2021, are as follows:

<u>Investment Fund:</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Money Market Mutual Funds	\$496,882	496,882			
Corporate Bonds & Notes	1,436,604	1,237,128	\$199,476		
U.S. Treasuries	9,435,876	226,638	9,209,238		
U.S. Agencies	<u>11,409,835</u>	<u>438,486</u>	<u>7,333,827</u>	<u>\$172,443</u>	<u>\$3,465,079</u>
Total	<u>\$22,779,197</u>	<u>\$1,902,252</u>	<u>\$16,742,541</u>	<u>\$172,443</u>	<u>\$3,465,079</u>

Police and Non-uniform Pension Funds:

<u>Investment Type</u>	<u>Fair Value</u>
Stock and Bond Mutual Funds	<u>\$11,944,226</u>
Total	<u>\$11,944,226</u>

Interest rate risk. In accordance with its investment policy, the Borough manages its exposure to declines in fair values by purchasing securities with various maturities.

Concentration of credit risk. The Borough manages its credit risk concentration by purchasing mutual funds that are already diversified and purchasing U.S. Treasury and Agency type investments.

Custodial Credit Risk-Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2021, the Borough's investments were not exposed to any custodial credit risk.

B. Receivables

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

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Investment Fund</u>	<u>Water & Sewer Enterprise Funds</u>	<u>Nonmajor and Other Fund</u>	<u>Total</u>
Receivables:							
Interest				\$61,122			\$61,122
Taxes	\$87,947		\$2,587			\$38,800	129,334
Accounts		\$0	10,702		\$2,313,410	265,926	2,590,038
Interfund Receivable							
Gross receivables	<u>87,947</u>	<u>0</u>	<u>13,289</u>	<u>61,122</u>	<u>2,313,410</u>	<u>304,726</u>	<u>2,780,494</u>
Less: Allowance for Uncollectibles							
Net total receivables	<u>\$87,947</u>	<u>\$0</u>	<u>\$13,289</u>	<u>\$61,122</u>	<u>\$2,313,410</u>	<u>\$304,726</u>	<u>\$2,780,494</u>

Revenues for the Water and Sewer Enterprise Funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water sales	\$ 0
Uncollectibles related to sewer charges	<u>0</u>
Total uncollectibles of the current fiscal year	<u>\$ 0</u>

Governmental funds report *deferred revenue* in connection with receivable for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue and unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Unearned revenue received in year 2021	\$0	\$0
Delinquent property taxes receivable (general fund)	87,947	
Delinquent property taxes receivable (debt service fund)	2,587	
Delinquent property taxes receivable (special revenue fund)	38,800	
Delinquent sidewalk assessments receivable (special revenue fund)		
Delinquent sidewalk assessments receivable (d/s fund)	10,702	
Delinquent refuse charges receivable (refuse fund)	<u>254,228</u>	
Total deferred/unearned revenue for government funds	<u>\$394,264</u>	<u>\$0</u>

C. Capital assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Primary Government

Government Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 7,760,508			\$7,760,508
Total capital assets not being depreciated	<u>7,760,508</u>			<u>7,760,508</u>

Capital assets being depreciated:			
Buildings	11,267,714		11,267,714
Improvements other than building	6,321,620	231,619	6,553,239
Machinery, equipment, and vehicles	2,993,740	290,156	3,283,896
Infrastructure			
Total Capital assets being depreciated	<u>20,583,074</u>	<u>521,775</u>	<u>21,104,849</u>
Less accumulated depreciation for:			
Buildings	4,388,310	250,420	4,638,730
Improvements other than building	2,802,838	279,715	3,082,553
Machinery, equipment, and vehicles	2,611,703	130,631	2,742,334
Infrastructure			
Total accumulated depreciation	<u>9,802,851</u>	<u>660,766</u>	<u>10,463,617</u>
Total capital assets, being depreciated, net	<u>10,780,223</u>	<u>(138,991)</u>	<u>10,641,232</u>
Government activities capital assets, net	<u>\$18,540,731</u>	<u>\$(138,991)</u>	<u>\$18,401,740</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business - type activities				
Capital assets, not being depreciated:				
Land				
Total capital assets not being depreciated				
Capital assets, being depreciated:				
Buildings and systems	\$12,316,624	461,471		12,778,095
Improvements, machinery and equipment				
Total capital assets being depreciated	<u>12,316,624</u>	<u>461,471</u>		<u>12,778,095</u>
Less accumulated depreciation for:				
Buildings and systems	6,917,015	413,365		7,330,380
Improvements, machinery and equipment				
Total accumulated depreciation	<u>6,917,015</u>	<u>413,365</u>		<u>7,330,380</u>
Total capital assets, being depreciated, net	<u>5,399,609</u>	<u>48,106</u>		<u>5,447,715</u>
Business - type activities capital assets, net	<u>\$5,399,609</u>	<u>\$48,106</u>		<u>\$5,447,715</u>

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

Governmental Activities:	
General government	\$206,397
Public safety	106,546
Highways and streets, including depreciation of general infrastructure assets	344,339
Culture and recreation	<u>3,484</u>
Total depreciation expense-governmental activities	<u>\$660,766</u>
Business-type activities:	
Water & sewer authority fund	\$413,365
Recreation authority	<u>0</u>
Total depreciation expense-business-type activities	<u>\$413,365</u>

Construction commitments

None

D. Interfund receivables, payables, and transfers

Internal balances at December 31, 2021 consisted of the following:

Due to sewer system fund from:	
Recreation authority	<u>\$0</u>
Due to water/sewer authority from:	
Sewer system fund	<u>\$1,103,245</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended December 31, 2021, consisted of the following:

Transfers to General fund from:	
Nonmajor Governmental funds	\$934,156
Sewer System fund	292,857
Debt Service fund	25,000
Investment fund	<u>\$381,985</u>
Total transfers to General fund	<u>\$1,633,998</u>
Transfers to Debt Service fund from:	
Nonmajor Governmental funds	\$20,000
Sewer System fund	<u>21,500</u>
Total transfers to Debt Service fund	<u>\$41,500</u>
Transfers to Capital Projects fund from:	
Sewer System fund	\$7,754
Nonmajor Governmental funds	<u>107,875</u>
Total transfers to Capital Reserve fund	<u>\$115,629</u>
Transfers to 2008 GOB Note from:	
Highway Aid Fund	<u>\$105,837</u>
Total transfers to 2008 GOB Note	<u>\$105,837</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term debt

General Obligation Bonds and Notes

The Borough issued general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. The Bristol Borough Water and Sewer Authority issued \$3,215,000 of Guaranteed Sewer Revenue Notes in 2016 to provide funds for sewer upgrades. These notes will be repaid from amounts levied in the form of sewer utility charges against property owners benefited by these upgrades. Those amounts, including interest are 100 percent pledged to pay the scheduled principal and interest on the notes. In the event a deficiency exists at the time a debt service payment is due the Borough of Bristol will provide resources to cover the deficiency. The notes have a stated interest rate of 2.07% and are payable over the next 20 years. General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental-type activities	Variable	\$1,074,000
Business-type activities	Variable	\$3,626,245

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$189,000	\$21,709	\$324,416	\$70,388
2023	193,000	17,796	329,997	63,733
2024	197,000	13,801	336,650	56,949
2025	201,000	9,711	343,377	50,029
2026	99,000	5,549	350,179	42,972
2027-2031	<u>195,000</u>	<u>4,487</u>	1,017,626	137,149
2032-2036			<u>924,000</u>	<u>43,759</u>
Total	<u>\$1,074,000</u>	<u>\$73,053</u>	<u>\$3,626,245</u>	<u>\$464,979</u>

Revenue Bonds

All revenue bonds have been paid off as of December 31, 2021.

Interest Rate Swap Transactions

The Loan Interest Rate is determined by the Program Administrator to fund payments for debt service on Delaware Valley bond issues, net payments on interest rate swap agreements allocable to the loans, and expenses to operate the Delaware Valley Loan Program. The average rate shown for variable rate loans is the average rate for the annual billing period.

Delaware Valley Regional Finance Authority has entered into interest rate swap agreements with Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., PNC Bank, N.A., Toronto-Dominion Bank, and the Royal Bank of Canada (the "Counterparties") related to Delaware Valley's Bonds and fixed rate loans. The "market value" is the estimated price that Delaware Valley would receive (pay) if the agreements were terminated as of December 31, 2021. If Delaware Valley were obligated to make a payment and sufficient funds were not available, Delaware Valley could assess each borrower its allocable share of the termination payment. A related interest rate swap agreement may be terminated under the following circumstances:

- (a) Delaware Valley and the Counterparty mutually consent to the termination,
- (b) Delaware Valley or the Counterparty default or their financial conditions deteriorate to make a default imminent,
- (c) the borrower defaults on its loan, or
- (d) the borrower prepays or terminates the fixed rate of a fixed rate loan before its scheduled termination date.

Delaware Valley would seek to replace any terminated swap agreement related to Delaware Valley's Bonds with a new agreement on similar terms and conditions. At market value, the loss or gain of the replacement swap would offset the gain or loss from the termination payment. Delaware Valley may not be able to replace an interest rate swap if the swap market is not functioning normally or if Delaware Valley does not have access to the swap market. The long term, unsecured, senior debt ratings of Delaware Valley were "A1" and "A+" by Moody's and Standard & Poor's, respectively, on December 31, 2021.

As of December 31, 2021, Delaware Valley would have received payment of approximately \$98 million if the swap agreements related to the Delaware Valley Series and borrowers' fixed rate loans were terminated.

Delaware Valley enters into interest rate swap transactions to provide fixed interest rates to borrowers. The transactions would normally only be terminated if the borrower requested it or if the borrower defaulted on its loan. The borrower would be responsible for any termination payment. The Delaware Valley swap transactions related to

the fixed rate loans are effective under both the consistent critical terms and the quantitative methods standards of GASB 53.

Delaware Valley entered into interest swap transactions related to its Bonds to hedge its exposure to future changes in long-term interest rates. These agreements would only be terminated and not replaced with comparative agreements if the Delaware Valley Loan Program were being collapsed. The Delaware Valley swap transactions related to the Delaware Valley Series are effective under both the consistent critical terms and the quantitative methods standards of GASB 53.

Description	Amount Outstanding	Market Value of Related Interest Rate Swap Agreements	
		Fixed Rate Loans	Delaware Valley Series
2008 Notes Payable	<u>\$1,074,000</u>	<u>\$ 5,117</u>	<u>\$116,729</u>
2016 Notes Payable	<u>\$2,523,000</u>	<u>\$(56,007)</u>	<u>\$274,216</u>

Advance Refunding

The Borough issued \$7,391,000 in general obligation notes, series 2012 with interest rates of 1.912%. The proceeds were used to advance refund \$6,565,000 outstanding 2004 general obligation bonds which had interest rates ranging from 3.7% to 4.85%. The net proceeds of \$6,706,665 after payment of \$60,250 in underwriting fees and other issuance costs were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunded bonds. As a result, the 2004 general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The Borough advance refunded the 2004 general obligation bonds to reduce its total debt service payments over 14 years by \$484,830 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$267,982. The outstanding principal of the defeased bonds was \$2,330,000 at December 31, 2021.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$1,263,000	\$	\$(189,000)	\$1,074,000	\$189,000
Less deferred amounts:					
For issuance discounts	<u>0</u>			<u>0</u>	
Net OPEB Obligation	1,516,012	<u>53,076</u>	<u>(75,653)</u>	1,493,435	
Net Pension Liability	5,725,448		<u>(940,398)</u>	4,785,050	
Compensated absences	<u>381,474</u>		<u>(26,809)</u>	<u>354,665</u>	
Governmental activity					
Long-term liabilities	<u>\$8,885,934</u>	<u>\$53,076</u>	<u>\$(1,231,860)</u>	<u>\$7,707,150</u>	<u>\$189,000</u>
Business-type activities:					
Bonds & Loans payable:					
Penn Works Loan	\$1,277,223	\$ 0	\$173,978	\$1,103,245	\$177,416
Revenue bonds	2,667,000	<u>0</u>	144,000	2,523,000	<u>147,000</u>
Net OPEB Obligation	46,055		2,459	43,596	
Net Pension Liability	<u>1,261,870</u>		<u>124,946</u>	<u>1,136,924</u>	
Business-type activity					
Long-term liabilities	<u>\$5,252,148</u>	<u>\$ 0</u>	<u>\$445,383</u>	<u>\$4,806,765</u>	<u>\$324,416</u>

V. Other information

G. Risk Management

The Borough is exposed to various risks of loss related to third-party liability claims, damage to and loss of Borough-owned property, errors and omissions by public officials, and injuries to employees. As a method of financing the risk, the Borough purchases commercial insurance. The Borough does not participate in any public entity risk-pools or have any other risk retention. The amount of settlement did not exceed insurance coverage for the past three years.

B. Related party transactions

A management agreement is in affect between the Bristol Borough Water and Sewer Authority and the Borough whereby the Borough manages the sewer system. The agreement is automatically renewed on a year to year basis. There are no other related party transactions.

C. Subsequent events

There is an agreement of sale to sell the Bristol Borough Sewer System for \$50 million in August 2022 to the Bucks County Water and Sewer Authority.

D. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amounts, if any, to be immaterial. The Borough is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Borough’s solicitor the resolution of these matters will not have a material adverse effect on the financial condition of the government.

E. Police Pension Plan

General Information about the Pension Plan

Plan Description

The Borough of Bristol Police Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Codified Ordinance, Ordinance No. 1291 opted pursuant to Act 600. The plan is governed by the Borough of Bristol which may amend plan provisions, and which is responsible for the management of plan assets. The Borough of Bristol has delegated the authority to manage certain plan assets to Janney Montgomery Scott, LLC.

The Borough of Bristol filed actuarial valuation report Form 201C with the Public Employee Retirement Commission. The report dated January 1, 2021, was the most recently certified by the municipality’s chief administrative officer. This report indicated the municipality maintains a pension plan to provide pension or retirement benefits for Uniform employees.

Employees Covered by the Plan

As of January 1, 2021 and 2022, the following employees were covered by the benefit terms:

	<u>2022</u>	<u>2021</u>
Active employees	12	13

Retirees and beneficiaries currently receiving benefits	10	9
Terminated employees entitled to benefits but not yet receiving them	0	1
Total	22	23

Benefit Provisions

As of January 1, 2022, the pension plan provides for retirement and other benefits as shown in Appendix I of the separately issued actuarial report.

Contributions

Act 205 requires that annual contributions to the plan be based upon the plan’s Minimum Municipal Obligation (MMO), which is based on the plan’s biennial actuarial valuation. In accordance with the plan’s governing document, employees are required to contribute 6% of compensation to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

Basis of Accounting

The plan’s policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments

The pension plan’s assets are valued at fair market value.

Investments

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The investment policy of the Plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among various investments in domestic equity securities, international equity securities, domestic fixed income instruments and other asset classes as may be deemed prudent.

The plan’s investment policy establishes that the portfolio may be invested in the following asset classes with the following target asset allocation:

<u>Asset Class</u>	<u>Target</u>	<u>Asset Class</u>	<u>Target</u>
Domestic Equity		International Equity	17%
Large Cap	42%	Fixed Income	30%
Mid Cap	0%	Real Estate	0%
Small Cap	3%	Cash	8%

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.18 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The plan does not provide a Deferred Retirement Option Program.

Pension Liability

Net Pension Liability

The components of the net pension liability of the municipality as of December 31, 2021 were as follows:

Total Pension Liability (TPL)	\$11,050,624
Plan Fiduciary Net Position	\$8,259,775
Net Pension Liability (NPL)	\$2,790,849
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.7%

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the plan's fiscal year ending December 31, 2021. This report was based upon the plan's actuarial assumptions, asset valuation method, and cost method described in Appendix II of the separately issued actuarial report.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation of 2.24%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity		International Equity	6.55%
Large Cap	5.72%	Fixed Income	2.18%
Mid Cap	6.77%	Real Estate	5.41%
Small Cap	6.77%	Cash	-0.33%

Discount Rate

The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the

long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 8% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$4,132,901	\$2,790,849	\$1,660,388

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Total Pension Liability (a)	<u>Increase/Decrease</u> Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/2020	\$10,507,723	\$7,146,161	\$3,361,562
Changes for the year:			
Service Cost	178,658		178,658
Interest	835,280	-	835,280
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(433,212)		(433,212)
Changes of Assumptions	413,475	-	413,475
Contributions - Employer	-	381,391	(381,391)
Contributions - State Aid	-	124,729	(124,729)
Contributions - Member	-	113,198	(113,198)
Net Investment Income	-	952,446	(952,446)
Benefit Payments	(451,300)	(451,300)	-
Administrative Expense	-	(6,850)	6,850
Other Changes	-	-	-
Net Changes	542,901	1,113,614	(570,713)
Balances at 12/31/2021	\$11,050,624	\$8,259,775	\$2,790,849

Pension Expense for Fiscal Year Ended December 31, 2021

Service Cost	\$178,658
Interest on Total Pension Liability	835,280
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(1,534)
Changes of Assumptions	70,439
Employee Contributions	(113,198)
Projected Earnings on Pension Plan Investments	(568,017)
Differences Between Projected and Actual Earnings on Investments	(94,836)
Administrative Expense	6,850
Other Changes in Fiduciary Net Position	-

Total Pension Expense \$313,642

Deferred Outflows and Deferred Inflows of Resources

For the year ended December 31, 2021, the municipality recognized a pension expense of \$313,642. At December 31, 2021, the municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	\$ (92,474)
Changes in Assumptions	343,036	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(472,627)
Total	\$343,036	(\$565,101)

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

Year Ended December 31:	
2022	12,913
2023	(148,855)
2024	(53,085)
2025	(31,173)
2026	(1,865)
Thereafter	-

F. Employee Pension Plan

General Information about the Pension Plan

Plan Description

The Employees' Pension Plan of the Borough of Bristol is a single-employer defined benefit pension plan controlled by the provisions of Codified Ordinances. The plan is governed by the Borough of Bristol which may amend plan provisions, and which is responsible for the management of plan assets. The Borough of Bristol has delegated the authority to manage certain plan assets to Janney Montgomery Scott, LLC.

The Borough of Bristol filed actuarial valuation report Form 203C with the Public Employee Retirement Commission. The report dated January 1, 2021, was the most recently certified by the municipality's chief administrative officer. This report indicated the municipality maintains a pension plan to provide pension or retirement benefits for Non-Uniformed employees.

Employees Covered by the Plan

As of January 1, 2021 and 2022, the following employees were covered by the benefit terms:

	<u>2022</u>	<u>2021</u>
Active employees	13	14
Retirees and beneficiaries currently receiving benefits	19	18

Terminated employees entitled to benefits but not yet receiving them	0	0
Total	32	32

Benefit Provisions

As of January 1, 2022, the pension plan provides for retirement and other benefits as shown in Appendix I of the separately issued actuarial report.

Contributions

Act 205 requires that annual contributions to the plan be based upon the plan’s Minimum Municipal Obligation (MMO), which is based on the plan’s biennial actuarial valuation. In accordance with the plan’s governing document, employees are required to contribute 7% of compensation to the plan in 2021, 7.5% in 2022, 8% in 2023. The plan may also be eligible to receive an allocation of state aid from the General Municipal System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

Basis of Accounting

The plan’s policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments

The pension plan’s assets are valued at fair market value.

Investments

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The investment policy of the Plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among various investments in domestic equity securities, international equity securities, domestic fixed income instruments and other asset classes as may be deemed prudent.

The plan’s investment policy establishes that the portfolio may be invested in the following asset classes with the following target asset allocation:

<u>Asset Class</u>	<u>Target</u>	<u>Asset Class</u>	<u>Target</u>
Domestic Equity		International Equity	16%
Large Cap	41%	Fixed Income	28%
Mid Cap	0%	Real Estate	0%
Small Cap	3%	Cash	12%

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments,

net of pension plan investment expense, was 19.03 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The plan does not provide a Deferred Retirement Option Program.

Pension Liability

Net Pension Liability

The components of the net pension liability of the municipality as of December 31, 2021 were as follows:

Total Pension Liability (TPL)	\$8,069,266
Plan Fiduciary Net Position	\$4,938,141
Net Pension Liability (NPL)	\$3,131,125
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.2%

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the plan’s fiscal year ending December 31, 2021. This report was based upon the plan’s actuarial assumptions, asset valuation method, and cost method described in Appendix II of the separately issued actuarial report.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation of 2.24%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity		International Equity	6.55%
Large Cap	5.72%	Fixed Income	2.18%
Mid Cap	6.77%	Real Estate	5.41%
Small Cap	6.77%	Cash	-0.33%

Discount Rate

The discount rate used to measure the total pension liability was 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 8% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate:

	1% Decrease <u>7.00%</u>	Current Discount Rate <u>8.00%</u>	1% Increase <u>9.00%</u>
Net Pension Liability	\$3,966,161	\$3,131,125	\$2,412,026

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Total Pension Liability (a)	Increase/Decrease Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2020	\$7,699,741	\$4,073,985	\$3,625,756
Changes for the year:			
Service Cost	134,972	-	134,972
Interest	618,459	-	618,459
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(182,516)	-	(182,516)
Changes of Assumptions	358,462	-	358,462
Contributions - Employer	-	476,198	(476,198)
Contributions - State Aid	-	81,554	(81,554)
Contributions - Member	-	87,550	(87,550)
Net Investment Income	-	783,111	(783,111)
Benefit Payments	(559,852)	(559,852)	-
Administrative Expense	-	(4,405)	4,405
Other Changes	-	-	-
Net Changes	<u>369,525</u>	<u>864,156</u>	<u>(494,631)</u>
Balances at 12/31/2021	\$8,069,266	\$4,938,141	\$3,131,125

Pension Expense for Fiscal Year Ended December 31, 2021

Service Cost	\$134,972
Interest on Total Pension Liability	618,459
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(24,631)
Changes of Assumptions	191,852
Employee Contributions	(87,550)
Projected Earnings on Pension Plan Investments	(318,006)
Differences Between Projected and Actual Earnings on Investments	(61,447)
Administrative Expense	4,405
Other Changes in Fiduciary Net Position	-
Total Pension Expense	<u>\$458,054</u>

Deferred Outflows and Deferred Inflows of Resources

For the year ended December 31, 2021, the municipality recognized a pension expense of \$458,054. At

December 31, 2021, the municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$	\$(169,098)
Changes in Assumptions	433,364	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	_____	<u>(337,330)</u>
Total	\$433,364	\$(506,428)

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

Year Ended December 31:	
2022	\$128,358
2023	(82,945)
2024	(60,646)
2025	(57,831)
2026	-
Thereafter	-

Defined Contribution Plan

The Borough set up a defined contribution plan for new non-uniformed employees. Benefits depend solely on amounts contributed plus investment earnings. The plan took effect in December 2020.

Deferred Compensation Plan

There also is a deferred compensation plan for the Borough Manager. \$11,500 was deposited into this account in 2021.

BOROUGH OF BRISTOL EMPLOYEES PENSION PLAN
SCHEDULE OF CHANGES IN MUNICIPALITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability							
Service Cost	\$ 120,295	\$ 126,310	\$ 150,324	\$ 157,840	\$ 164,693	\$ 172,928	\$ 134,972
Interest	440,167	446,600	531,738	550,243	562,572	586,774	618,459
Changes of Benefit Terms	-	-	-	-	(126,636)	-	(182,516)
Differences Between Expected and Actual Experience	-	-	205,123	-	-	-	358,462
Changes of Assumptions	-	-	747,394	-	-	-	(559,852)
Benefit Payments, Including Refunds of Member Contributions	(472,339)	(495,780)	(470,658)	(445,857)	(422,536)	(443,410)	(559,852)
Net Change in Total Pension Liability	88,123	73,130	1,163,921	262,226	178,093	316,292	369,525
Total Pension Liability - Beginning	5,617,956	5,706,079	5,779,209	6,943,130	7,205,356	7,383,449	7,699,741
Total Pension Liability - Ending	<u>\$ 5,706,079</u>	<u>\$ 5,779,209</u>	<u>\$ 6,943,130</u>	<u>\$ 7,205,356</u>	<u>\$ 7,383,449</u>	<u>\$ 7,699,741</u>	<u>\$ 8,069,266</u>
Plan Fiduciary Net Position							
Contributions - Employer	281,511	326,789	327,731	327,796	471,837	524,409	476,198
Contributions - State Aid	66,654	74,369	73,412	74,950	81,928	78,781	81,554
Contributions - Member	81,606	77,928	87,735	85,774	80,329	79,321	87,550
Net Investment Income	(76,563)	204,306	327,019	(217,243)	511,267	197,329	783,111
Benefit Payments, Including Refunds of Member Contributions	(472,339)	(499,780)	(470,656)	(445,857)	(422,536)	(443,410)	(559,852)
Administrative expenses	(8,820)	(2,337)	(9,825)	(6,000)	(5,350)	(7,005)	(4,405)
Net Change in Plan Fiduciary Net Position	(127,951)	181,275	335,414	(180,580)	717,475	429,425	864,156
Plan Net Position - Beginning	2,718,927	2,590,976	2,772,251	3,107,665	2,927,085	3,644,560	4,073,985
Plan Net Position - Ending	<u>\$ 2,590,976</u>	<u>\$ 2,772,251</u>	<u>\$ 3,107,665</u>	<u>\$ 2,927,085</u>	<u>\$ 3,644,560</u>	<u>\$ 4,073,985</u>	<u>\$ 4,938,141</u>
Municipality's Net Pension Liability	\$ 3,115,103	\$ 3,006,958	\$ 3,835,465	\$ 4,278,271	\$ 3,738,889	\$ 3,625,756	\$ 3,131,125
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.4%	48.0%	44.8%	40.6%	49.4%	52.9%	61.2%
Covered Employee Payroll	\$ 1,315,401	\$ 1,332,244	\$ 1,331,763	\$ 1,383,152	\$ 1,419,969	\$ 1,353,264	\$ 1,315,166
Municipality's Net Position as a Percentage of Covered Employee Payroll	236.8%	225.7%	288.0%	309.3%	263.3%	267.9%	238.1%

Notes to schedules:

Assumption Changes - In 2017, the mortality assumption was changed from the UP-1984 Table to the RP=2000 Table. In 2021, the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubG-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes - None

**BOROUGH OF BRISTOL POLICE PENSION PLAN
SCHEDULE OF CHANGES IN MUNICIPALITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability							
Service Cost	\$ 139,347	\$ 146,314	\$ 162,001	\$ 170,101	\$ 169,085	\$ 177,539	\$ 178,658
Interest	569,081	598,598	655,110	691,224	749,863	792,910	835,280
Changes of Benefit Terms	-	-	26,003	-	-	-	-
Differences Between Expected and Actual Experience	-	-	308,160	-	249,212	-	(433,212)
Changes of Assumptions	-	-	-	-	-	-	413,475
Benefit Payments, Including Refunds of Member Contributions	(296,141)	(396,714)	(380,022)	(367,550)	(385,499)	(393,133)	(451,300)
Net Change in Total Pension Liability	412,287	348,198	771,252	493,775	782,661	577,316	542,901
Total Pension Liability - Beginning	7,122,234	7,534,521	7,882,719	8,653,971	9,147,746	9,930,407	10,507,723
Total Pension Liability - Ending	\$ 7,534,521	\$ 7,882,719	\$8,653,971	\$ 9,147,746	\$ 9,930,407	\$ 10,507,723	\$11,050,624
Plan Fiduciary Net Position							
Contributions - Employer	246,484	326,947	318,237	319,540	369,124	443,134	381,391
Contributions - State Aid	109,783	122,490	128,471	131,163	143,374	137,867	124,729
Contributions - Member	99,382	90,859	101,539	100,641	100,241	95,545	113,198
Net Investment Income	(113,408)	337,502	555,652	(389,570)	881,607	717,227	952,446
Benefit Payments, Including Refunds of Member Contributions	(296,141)	(396,714)	(380,022)	(367,550)	(385,499)	(393,133)	(451,300)
Administrative expenses	(5,550)	(2,045)	(9,375)	(5,920)	(7,560)	(8,620)	(6,850)
Net Change in Plan Fiduciary Net Position	40,550	479,039	714,502	(211,696)	1,101,287	992,020	1,113,614
Plan Net Position - Beginning	4,030,459	4,071,009	4,550,048	5,264,550	5,052,854	6,154,141	7,146,161
Plan Net Position - Ending	\$ 4,071,009	\$ 4,550,048	\$5,264,550	\$ 5,052,854	\$ 6,154,141	\$ 7,146,161	\$ 8,259,775
Municipality's Net Pension Liability	\$ 3,463,512	\$ 3,332,671	\$3,389,421	\$ 4,094,892	\$ 3,776,266	\$ 3,361,562	\$ 2,790,849
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.0%	57.7%	60.8%	55.2%	62.0%	68.0%	74.7%
Covered Employee Payroll	\$ 1,315,401	\$ 1,562,698	\$1,512,461	\$ 1,627,235	\$ 1,691,329	\$ 1,657,714	\$ 1,652,915
Municipality's Net Position as a Percentage of Covered Employee Payroll	263.3%	213.3%	224.1%	251.6%	223.3%	202.8%	168.8%

Notes to schedules:

Assumption Changes - In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected in 2017 using Scale AA to the Blue Collar RP-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes - In 2017, the service increment of \$50 per month for each year of service in excess of 25 years with a maximum of \$300 per month. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the Pubs-2010 projected 5 years past 2021 valuation date using MP-2020.

**BOROUGH OF BRISTOL EMPLOYEES PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 262,738	\$ 267,436	\$ 275,699	\$ 348,165	\$ 401,158	\$ 401,143	\$ 402,746	\$ 553,765	\$ 603,190	\$ 557,752
Contribution Deficiency (Excess)	262,738	267,436	275,699	348,165	401,158	401,143	402,746	553,765	603,190	557,752 (1)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,440,225	\$ 1,475,181	\$ 1,438,030	\$ 1,315,401	\$ 1,332,244	\$ 1,331,763	\$ 1,383,152	\$ 1,419,969	\$ 1,353,264	\$ 1,315,166
Contributions as a Percentage of Covered Employee Payroll	18.2%	18.1%	19.2%	26.5%	30.1%	30.1%	29.1%	28.4%	27.5%	42.4%

Notes to schedules:

Assumption Changes - In 2017, the mortality assumption was changed from the UP-1984 Table to the RP-2000 Table. In 2021, the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubG-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes - None

(1) \$476,466 is still owed to the employee pension plan from Bristol Borough as of 12/31/21.

BOROUGH OF BRISTOL EMPLOYEES PENSION PLAN
 SCHEDULE OF INVESTMENT RETURNS
 LAST 10 FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-2.85%	7.94%	11.78%	-6.95%	16.87%	5.25%	19.03%

BOROUGH OF BRISTOL POLICE PENSION PLAN
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 LAST 10 FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 263,735	\$ 222,302	\$ 277,155	\$ 356,267	\$ 448,437	\$ 446,709	\$ 450,703	\$ 512,498	\$ 581,001	\$ 506,120
Contribution Deficiency (Excess)	263,735	222,302	277,155	356,267	448,437	446,709	450,703	512,498	581,001	506,120 (1)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered Employee Payroll	\$1,314,746	\$1,306,348	\$1,405,945	\$1,315,401	\$1,562,688	\$1,512,461	\$1,627,235	\$1,691,329	\$1,657,714	\$1,652,915
Contributions as a Percentage of Covered Employee Payroll	20.1%	17.0%	19.7%	27.1%	28.6%	28.5%	27.7%	26.6%	16.1%	30.6%

Notes to schedules:

Assumption Changes - In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the PUBS-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes - In 2017, the service increment of \$50 per month for each year of service in excess of 25 years with a maximum of \$100 per month was modified to \$100 per month for each year of service in excess of 25 years with a maximum of \$300 per month. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the PUBS-2010 projected 5 years past 2021 valuation date using MP-2020.

(1) \$450,428 is still owed to the police pension plan from Bristol Borough as of 12/31/21.

BOROUGH OF BRISTOL POLICE PENSION PLAN
 SCHEDULE OF INVESTMENT RETURNS
 LAST 10 FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-2.77%	8.17%	12.00%	-7.28%	17.08%	11.40%	13.18%

G. Plan Description-Post-Employment Healthcare Police Employees' Plan

Bristol Borough's Other Post-Employment Benefits offered to Police employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by the provisions of a collective bargaining agreement the Borough of Bristol, Bucks County, Pennsylvania and the Police Benevolent Association, Inc. the Representative Agent for the Police Employees, most recently revised by an Arbitration Award effective January 1, 2020.

Employees Covered by the Plan

The following eligible Police employees and retirees were covered by the plan:

	1/1/2020
Fully Eligible Active Employees	1
Other Active Employees not Fully Eligible	12
Retirees and beneficiaries currently receiving benefits	8
Total	21

Benefit Provisions

As of January 1, 2020 the OPEB plan provides benefits as shown in the actuary's report. To the best of our knowledge, there have been no substantive changes to the provision in the interim.

Contributions

The Borough of Bristol is not currently making contributions to a qualified Trust.

Investment Policy

The Borough of Bristol does not have a GASB qualified Trust.

Rate of Return

There are no investments.

Actuarial Present Value of Projected Benefits as of the Valuation Date \$1,974,545

Net OPEB Liability

The components of the Net OPEB liability of the municipality were as follows:

	<u>12/31/2021</u>
Total OPEB Liability (TOL)	\$1,404,922
Plan Fiduciary Net Position	\$ -
Net OPEB Liability (NOL)	\$1,404,922
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%

Actuarial Assumptions

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2020. Update procedures were used to roll forward to the municipality's fiscal year ending December 31, 2021. This report is based upon actuarial assumptions, asset valuation method, and cost method described in the actuary's report.

Long-Term Expected Rate of Return

Since there are no invested assets, there is no long-term expected rate of return.

Discount Rate

The discount rate is 2.25% and is based on the S&P 20 year AA municipal bond rate.

Net OPEB Liability Sensitivity - Discount Rate

The following is a sensitivity analysis of the net OPEB Liability to changes in the discount rate. The table below presents the net OPEB liability calculated using the discount rate of 2.25% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.25%) or 1 percent higher (3.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.25%</u>	<u>2.25%</u>	<u>3.25%</u>
12/31/2021 Net OPEB Liability	\$1,519,131	\$1,404,922	\$1,300,399

Net OPEB Liability Sensitivity - Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percent higher and 1 percent lower than expected.

	1% Decrease	Current Trend Rates	1% Increase
12/31/2021 Net OPEB Liability	\$1,266,711	\$1,404,922	\$1,560,441

Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over FYE 2021:

	<u>Increase/(Decrease)</u>		
	Total OPEB	Plan	Net OPEB
	Liability	Fiduciary Net	Liability
	<u>(a)</u>	<u>Position (b)</u>	<u>(a)-(b)</u>
Balances at 12/31/2020	\$1,422,506	-	\$1,422,506
Changes for the year:			
Service Cost	57,212	-	57,212
Interest	31,693	-	31,693
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions & Cost Method	(35,829)	-	(35,829)
Contributions - Employer	-	70,660	(70,660)
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(70,660)	(70,660)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	<u>(17,584)</u>	<u>-</u>	<u>(17,584)</u>
Balances at 12/31/2021	\$1,404,922	-	\$1,404,922

OPEB Expense for Fiscal Year Ended December 31, 2021.

Service Cost	\$57,212
Interest on Total OPEB Liability	31,693
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	17,389
Changes in Assumptions & Cost Method	23,731
Other Contributions	-
Projected Earnings on OPEB Plan Investments	-

Differences Between Projected and Actual Earnings on Investments	-
Administrative Expense	-
Other Changes in Fiduciary Net Position	-
Total OPEB Expense	\$130,025

Deferred Outflows and Deferred Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences Between Expected and Actual Experience	\$41,241	\$ -
Changes in Assumptions & Cost Method	48,083	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Total	\$89,324	\$ -

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

Year Ended December 31:

2022	\$41,120
2023	41,120
2024	10,129
2025	(3,045)
2026	-
Thereafter	-

H. Plan Description-Post-Employment Healthcare Non-Uniformed Employees' Plan

Bristol Borough's Other Post-Employment Benefits offered to Non-Uniformed employees and retirees is a single-employer defined benefit plan for benefits other than pension which is controlled by Bristol Borough.

Employees Covered by the Plan

The following eligible Non-Uniformed employees and retirees were covered by the plan:

	1/1/2020
Fully Eligible Active Employees	4
Other Active Employees not Fully Eligible	13
Retirees and beneficiaries currently receiving benefits	<u>14</u>
Total	31

Benefit Provisions

As of January 1, 2020 the OPEB plan provides benefits as shown in the actuary's report. To the best of our knowledge, there have been no substantive changes to the provision in the interim.

Contributions

The Borough of Bristol is not currently making contributions to a qualified Trust.

Investment Policy

The Borough of Bristol does not have a GASB qualified Trust.

Rate of Return

There are no investments.

Actuarial Present Value of Projected Benefits as of the Valuation Date \$168,979

Net OPEB Liability

The components of the Net OPEB liability of the municipality were as follows:

	<u>12/31/2021</u>
Total OPEB Liability (TOL)	\$132,109
Plan Fiduciary Net Position	\$ -
Net OPEB Liability (NOL)	\$132,109
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%

Actuarial Assumptions

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2020. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2021. This report is based upon actuarial assumptions, asset valuation method, and cost method described in the actuary's report.

Long-Term Expected Rate of Return

Since there are no invested assets, there is no long-term expected rate of return.

Discount Rate

The discount rate is 2.25% and is based on the S&P 20 year AA municipal bond rate.

Net OPEB Liability Sensitivity - Discount Rate

The following is a sensitivity analysis of the net OPEB Liability to changes in the discount rate. The table below presents the net OPEB liability calculated using the discount rate of 2.25% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.25%) or 1 percent higher (3.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.25%</u>	<u>2.25%</u>	<u>3.25%</u>
12/31/2021 Net OPEB Liability	\$154,358	\$132,109	\$114,431

Net OPEB Liability Sensitivity - Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percent higher and 1 percent lower than expected.

	1% Decrease	Current Trend Rates	1% Increase
12/31/2021 Net OPEB Liability	\$132,109	\$132,109	\$132,109

Since non-uniformed retirees receive life insurance only, there is no healthcare sensitivity.

Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over FYE 2021:

	<u>Increase/(Decrease)</u>		
	Total OPEB	Plan	Net OPEB
	Liability	Fiduciary Net	Liability
	<u>(a)</u>	<u>Position (b)</u>	<u>(a)-(b)</u>
Balances at 12/31/2020	\$139,561	-	\$139,561
Changes for the year:			
Service Cost	2,896	-	2,896
Interest	2,982	-	2,982
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions & Cost Method	(6,538)	-	(6,538)
Contributions - Employer	-	6,792	(6,792)
Contributions – Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(6,792)	(6,792)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	<u>(7,452)</u>	<u>-</u>	<u>(7,452)</u>
Balances at 12/31/2021	\$132,109	-	\$132,109

OPEB Expense for Fiscal Year Ended December 31, 2021.

Service Cost	\$2,896
Interest on Total OPEB Liability	2,982
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	1,957
Changes in Assumptions & Cost Method	4,558
Other Contributions	-
Projected Earnings on OPEB Plan Investments	-

Differences Between Projected and Actual Earnings on Investments	-
Administrative Expense	-
Other Changes in Fiduciary Net Position	-
Total OPEB Expense	\$12,393

Deferred Outflows and Deferred Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences Between Expected and Actual Experience	\$3,746	\$ -
Changes in Assumptions & Cost Method	7,051	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Total	\$10,797	\$ -

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

Year Ended December 31:

2022	\$6,515
2023	5,807
2024	(1,525)
2025	-
2026	-
Thereafter	-

BOROUGH OF BRISTOL POLICE OPEB PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 42,351	\$ 44,469	\$ 57,685	\$ 57,212
Interest	39,910	40,556	27,321	31,693
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	76,019	-
Changes of Assumptions & Cost Method	-	-	139,570	(35,829)
Benefit Payments	(58,771)	(73,064)	(40,850)	(70,660)
Net Change in Total OPEB Liability	<u>23,490</u>	<u>11,961</u>	<u>259,745</u>	<u>(17,584)</u>
Total OPEB Liability - Beginning	<u>1,127,310</u>	<u>1,150,800</u>	<u>1,162,761</u>	<u>1,422,506</u>
Total OPEB Liability - Ending	<u><u>\$ 1,150,800</u></u>	<u><u>\$ 1,162,761</u></u>	<u><u>\$1,422,506</u></u>	<u><u>\$ 1,404,922</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Other	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-
Administrative expenses	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Net Position - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Municipality's Net OPEB Liability	<u><u>\$ 1,150,800</u></u>	<u><u>\$ 1,162,761</u></u>	<u><u>\$1,422,506</u></u>	<u><u>\$ 1,404,922</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
Covered Police Employee Payroll	\$ 1,731,465	\$ 1,818,038	\$1,710,345	\$ 1,795,862
Net OPEB as a Percentage of Police Employee Payroll	66.5%	64.0%	83.2%	78.2%

BOROUGH OF BRISTOL NON-UNIFORMED OPEB PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 2,306	\$ 2,421	\$ 3,057	\$ 2,896
Interest	3,858	3,815	2,713	2,982
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	7,660	-
Changes of Assumptions & Cost Method	-	-	24,376	(6,538)
Benefit Payments	(7,858)	(7,145)	(7,483)	(6,792)
Net Change in Total OPEB Liability	<u>(1,694)</u>	<u>(909)</u>	<u>30,323</u>	<u>(7,452)</u>
Total OPEB Liability - Beginning	111,841	110,147	109,238	139,561
Total OPEB Liability - Ending	<u>\$ 110,147</u>	<u>\$ 109,238</u>	<u>\$ 139,561</u>	<u>\$ 132,109</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Other	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-
Administrative expenses	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Net Position - Beginning	-	-	-	-
Plan Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipality's Net OPEB Liability	<u>\$ 110,147</u>	<u>\$ 109,238</u>	<u>\$ 139,561</u>	<u>\$ 132,109</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
Covered Non-Uniformed Employee Payroll	\$ 1,544,571	\$ 1,621,800	\$ 1,558,228	\$ 1,636,140
Net OPEB as a Percentage of Non-Uniformed Employee Payroll	7.1%	6.7%	9.0%	8.1%

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Highway Aid - This fund is used to account for the Borough's share of the Liquid Fuels Grant disbursed by the Commonwealth of Pennsylvania. All monies in this fund are expended in accordance with Pennsylvania Department of Transportation rules and regulations for the construction, reconstruction and maintenance of all locally owned roads, streets and bridges.

Street Lighting Fund - This fund is used to account for revenue derived from a 4.35 mill real estate tax levy. Major expenditures include the cost of electricity and maintenance of the highway and streetlights located in the Borough, and the debt service payments associated with the purchase of the street light system from the Philadelphia Electric Company in 1988.

Fire Protection and Rescue Squad Fund - This fund is used to account for revenue derived from a 5.00 mill real estate tax levy in accordance with the agreement between the Borough and local fire and rescue squad companies.

Refuse Fund - This fund is used to account for revenue generated by refuse user charges. This fund is used to pay for the trash hauler contract.

Recreation Fund - This fund is used to account for the revenue derived from a 3.62 mill real estate tax levy that is restricted to the development of programs that are recreational in nature-such as maintenance of Borough parks, Community Youth Association, the Senior Citizens' Association, Borough committees, parades and civic events.

Road Reconstruction Fund - This fund is used to account for revenue derived from a 2.42 mill real estate tax levy that is funding the road maintenance program.

Private Fund - This fund is used to account for private donations and contributions received for community development projects.

BOROUGH OF BRISTOL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue								Total NonMajor Governmental Funds			
	Highway Aid	Road Reconstruction	Street Lighting	Refuse	Recreation	Fire Protection and Rescue Squad	Private	Maple Beach		Waterfront Redevelopment	Grants	Total
ASSETS												
Cash and Cash Equivalents	\$181,552	\$13,715	\$84,535	\$374,330	\$32,415	\$161,746	\$921,444	\$133,638		\$3,629	\$1,907,004	
Investments at fair market value				254,228	11,698						0	
Accounts receivable											265,926	
Prepaid expense											0	
Taxes receivable		6,467	11,640								0	
Total assets	<u>\$181,552</u>	<u>\$20,182</u>	<u>\$96,175</u>	<u>\$628,558</u>	<u>\$53,166</u>	<u>\$173,386</u>	<u>\$921,444</u>	<u>\$133,638</u>	<u>\$0</u>	<u>\$3,629</u>	<u>\$2,211,730</u>	
LIABILITIES												
Bank overdraft											0	
Accounts payable		725	2,597	1,560	630		22,123				27,635	
Escrow							814,506				814,506	
Salaries and benefits payable											0	
Due to General fund											0	
Total liabilities	<u>0</u>	<u>725</u>	<u>2,597</u>	<u>1,560</u>	<u>630</u>	<u>0</u>	<u>836,629</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>842,141</u>	
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue-property taxes		6,467	11,640	254,228	9,053	11,640	0	0	0	0	283,028	
Total deferred inflows of resources		<u>6,467</u>	<u>11,640</u>	<u>254,228</u>	<u>9,053</u>	<u>11,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>283,028</u>	
Fund Balances												
Restricted:												
Special Revenue Funds for specific purposes	181,552	12,990	81,938	372,770	43,483	161,746	84,815	133,638	0	3,629	1,076,561	
Total fund balances	<u>181,552</u>	<u>12,990</u>	<u>81,938</u>	<u>372,770</u>	<u>43,483</u>	<u>161,746</u>	<u>84,815</u>	<u>133,638</u>	<u>0</u>	<u>3,629</u>	<u>1,076,561</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$181,552</u>	<u>\$20,182</u>	<u>\$96,175</u>	<u>\$628,558</u>	<u>\$53,166</u>	<u>\$173,386</u>	<u>\$921,444</u>	<u>\$133,638</u>	<u>\$0</u>	<u>\$3,629</u>	<u>\$2,211,730</u>	

The notes to financial statements are an integral part of this statement.

BOROUGH OF BRISTOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NOMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue										Total Nonmajor Governmental Funds	
	Highway Aid	Road Reconstruction	Street Lighting	Refuse	Recreation	Protection and Rescue Squad	Private	Maple Beach	Waterfront Redevelopment	Grants		Covid-19 Grant
REVENUES												
Property taxes	\$237,658	\$188,486	\$335,402		\$280,861	\$389,322						\$1,194,071
Motor fuel tax				24,267		46,840						237,658
Intergovernmental				1,493,276	51,000				312,637		501,156	884,900
Charges for services	1,816	966	5,917		524	955					27	1,544,276
Investment earnings				570	34,370							10,384
Miscellaneous			341,319	1,516,113	366,755	437,117						41,357
Total revenues	239,474	189,452	341,319	1,516,113	366,755	437,117	0		312,637		27	3,912,646
EXPENDITURES												
Current:												
General Government		1,500	5,274	1,471,463	18,588	41,843	1,693	2,893		1,796		1,545,050
Highways and streets			188,523			373,940						188,523
Public safety												373,940
Culture and recreation					271,048							271,048
Capital outlay:												
General Government	103,627	76,510			14,697				312,637		0	492,774
Highways and streets					304,333							14,697
Culture and recreation	103,627	76,010	193,797	1,471,463	14,697	415,783	1,693	2,893	312,637		0	2,886,032
Total expenditures	135,847	111,442	147,522	46,660	62,422	21,334	4,903	(2,893)	0	(1,769)		1,026,614
Excess (deficiency) of revenues over (under) expenditures												
OTHER FINANCING SOURCES (USES)												
Transfers out:												
General fund	(120,000)	(143,000)	(70,000)	(75,000)	(25,000)							(934,156)
Debt Service fund			(10,000)	(10,000)								(20,000)
Capital Improvements									(107,875)			(107,875)
2008 GOB Note	(105,837)											(105,837)
Total other financing sources and (uses)	(225,837)	(143,000)	(80,000)	(85,000)	(25,000)	0	0	0	(107,875)			(1,167,868)
Net change in fund balances	(69,990)	(31,558)	67,522	(38,350)	37,422	21,334	4,903	(2,893)	(107,875)	(501,156)	0	(141,254)
Fund balances - beginning	271,542	44,548	14,416	411,120	6,061	140,412	79,912	136,531	107,875	0	0	1,217,815
Fund balances - ending	\$181,552	\$12,990	\$81,938	\$372,770	\$43,483	\$161,746	\$64,815	\$133,638	\$0	\$0	\$3,629	\$1,076,561

The notes to financial statements are an integral part of this statement.

Borough of Bristol
Highway Aid Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
REVENUES			
Intergovernmental	\$232,249	\$237,658	\$5,409
Investment earnings	1,500	1,816	316
Miscellaneous revenue	0	0	0
Total revenues	<u>233,749</u>	<u>239,474</u>	<u>5,725</u>
EXPENDITURES			
Current:			
Highways and streets:			
Road Program	0	0	0
Miscellaneous	0	0	0
Capital outlay:			
Highway equipment	182,394	103,627	78,767
Total Expenditures	<u>182,394</u>	<u>103,627</u>	<u>78,767</u>
Excess of revenues over expenditures	<u>51,355</u>	<u>135,847</u>	<u>84,492</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(226,778)	(225,837)	941
Total other financing sources and uses	<u>(226,778)</u>	<u>(225,837)</u>	<u>941</u>
Net change in fund balances	(175,423)	(89,990)	85,433
Fund balances - beginning	270,133	271,542	1,409
Fund balances - ending	<u>\$94,710</u>	<u>\$181,552</u>	<u>\$86,842</u>

Borough of Bristol
Street Lighting Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$323,220	\$335,402	\$12,182
Intergovernmental	0	0	0
Miscellaneous revenue	0	5,917	5,917
Total revenues	<u>323,220</u>	<u>341,319</u>	<u>18,099</u>
EXPENDITURES			
Current:			
Highways and streets	210,500	188,522	21,978
Administration	7,925	5,274	2,651
Total Expenditures	<u>218,425</u>	<u>193,796</u>	<u>24,629</u>
Excess of revenues over expenditures	<u>104,795</u>	<u>147,523</u>	<u>42,728</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(80,000)	(80,000)	0
Total other financing sources and uses	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
Net change in fund balances	24,795	67,523	42,728
Fund balances - beginning	11,385	14,416	3,031
Fund balances - ending	<u>\$36,180</u>	<u>\$81,939</u>	<u>\$45,759</u>

Borough of Bristol
Fire Protection and Rescue Squad Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
REVENUES			
Property taxes	\$368,600	\$389,322	\$20,722
Intergovernmental	52,303	46,840	(5,463)
Investment earnings	615	955	340
Total revenues	<u>421,518</u>	<u>437,117</u>	<u>15,599</u>
EXPENDITURES			
Current:			
Administration	2,550	2,550	0
Public safety	379,403	373,940	5,463
Miscellaneous	38,127	39,293	(1,166)
Total Expenditures	<u>420,080</u>	<u>415,783</u>	<u>4,297</u>
Excess of revenues over expenditures	<u>1,438</u>	<u>21,334</u>	<u>19,896</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	0	0	0
Total other financing sources and uses	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	1,438	21,334	19,896
Fund balances - beginning	119,767	140,412	20,645
Fund balances - ending	<u>\$121,205</u>	<u>\$161,746</u>	<u>\$40,541</u>

Borough of Bristol
Refuse Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Charges for services	\$1,400,000	\$1,493,276	\$93,276
Intergovernmental	20,941	24,267	3,326
Miscellaneous revenue	150	570	420
Total revenues	<u>1,421,091</u>	<u>1,518,113</u>	<u>97,022</u>
EXPENDITURES			
Current:			
Sanitation	1,598,200	1,449,954	148,246
Administration	7,500	7,500	0
Miscellaneous	17,000	14,009	2,991
Total Expenditures	<u>1,622,700</u>	<u>1,471,463</u>	<u>151,237</u>
Excess of revenues over expenditures	<u>(201,609)</u>	<u>46,650</u>	<u>248,259</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(85,000)	(85,000)	0
Total other financing sources and uses	<u>(85,000)</u>	<u>(85,000)</u>	<u>0</u>
Net change in fund balances	(286,609)	(38,350)	248,259
Fund balances - beginning	171,024	411,120	240,096
Restricted for future use	175,000	0	(175,000)
Fund balances - ending	<u>\$59,415</u>	<u>\$372,770</u>	<u>\$313,355</u>

Borough of Bristol
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$270,690	\$280,861	\$10,171
Investment earnings	225	524	299
Miscellaneous revenue	33,850	85,370	51,520
Total revenues	<u>304,765</u>	<u>366,755</u>	<u>61,990</u>
EXPENDITURES			
Current:			
Program expense	11,950	9,160	2,790
Maintenance	183,650	211,174	(27,524)
Miscellaneous	65,675	69,302	(3,627)
Capital outlay:			
Parks	0	14,697	(14,697)
Total Expenditures	<u>261,275</u>	<u>304,333</u>	<u>(43,058)</u>
Excess of revenues over expenditures	<u>43,490</u>	<u>62,422</u>	<u>18,932</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(25,000)	(25,000)	0
Total other financing sources and uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Net change in fund balances	18,490	37,422	18,932
Fund balances-beginning	13,631	6,061	(7,570)
Fund balances-ending	<u>\$32,121</u>	<u>\$43,483</u>	<u>\$11,362</u>

Borough of Bristol
Road Reconstruction Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$179,520	\$188,486	\$8,966
Special assessments	0	0	0
Investment earnings	200	967	767
Miscellaneous revenue	0	0	0
Total revenues	<u>179,720</u>	<u>189,453</u>	<u>9,733</u>
EXPENDITURES			
Administration	1,500	1,500	0
Miscellaneous	0	0	0
Capital outlay:			
Highways and streets	25,000	76,511	(51,511)
Total expenditures	<u>26,500</u>	<u>78,011</u>	<u>(51,511)</u>
Excess of revenues over expenditures	<u>153,220</u>	<u>111,442</u>	<u>(41,778)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(143,000)	(143,000)	0
Total other financing sources and uses	<u>(143,000)</u>	<u>(143,000)</u>	<u>0</u>
Net change in fund balances	10,220	(31,558)	(41,778)
Fund balances - beginning	30,499	44,548	14,049
Fund balances - ending	<u>\$40,719</u>	<u>\$12,990</u>	<u>(\$27,729)</u>

Borough of Bristol
Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$92,100	104,520	\$12,420
Investment earnings	100	944	844
Miscellaneous revenue	0	0	0
Total revenues	<u>92,200</u>	<u>105,464</u>	<u>13,264</u>
EXPENDITURES			
Debt service:			
Administration	8,000	8,000	0
Principal	92,000	92,000	0
Interest	5,690	5,690	0
Total Expenditures	<u>105,690</u>	<u>105,690</u>	<u>0</u>
Excess of revenues over expenditures	<u>(13,490)</u>	<u>(226)</u>	<u>13,264</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	0	0	0
Transfers in	41,500	41,500	0
Transfers out	(25,000)	(25,000)	0
Total other financing sources and uses	<u>16,500</u>	<u>16,500</u>	<u>0</u>
Net change in fund balances	3,010	16,274	13,264
Fund balances - beginning	124,979	138,155	13,176
Fund balances - ending	<u>\$127,989</u>	<u>\$154,429</u>	<u>\$26,440</u>

Borough of Bristol
Investment Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2021

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
REVENUES			
Investment earnings	\$421,056	422,488	\$1,432
Net increase in fair value of investments	0	0	0
Total revenues	<u>421,056</u>	<u>422,488</u>	<u>1,432</u>
EXPENDITURES			
Current:			
Net decrease in fair market of investments	0	621,167	(621,167)
Custodial fees	5,500	6,498	(998)
Total Expenditures	<u>5,500</u>	<u>627,665</u>	<u>(622,165)</u>
Excess of revenues over expenditures	<u>415,556</u>	<u>(205,177)</u>	<u>(620,733)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(421,056)</u>	<u>(381,985)</u>	<u>39,071</u>
Total other financing sources and uses	<u>(421,056)</u>	<u>(381,985)</u>	<u>39,071</u>
Net change in fund balances	(5,500)	(587,162)	(581,662)
Fund balances - beginning	24,578,899	24,376,550	(202,349)
Fund balances - ending	<u>\$24,573,399</u>	<u>\$23,789,388</u>	<u>(\$784,011)</u>