

**BOROUGH OF BRISTOL  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

Borough of Bristol  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2022

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# HELLMANN AND COMPANY

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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, 2022 (and the Bristol Borough Recreation Authority and Sewer Authority as of and for the year ended December 31, 2022, blended component units 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, 2022 (and the Bristol Borough Recreation Authority and Sewer Authority as of December 31, 2022), 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 and Company  
Morrisville, PA  
September 15, 2023

## **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, 2022 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 \$88,111,904 resulting from an excess of its assets over its liabilities. Of this amount, \$68,920,893 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The Investment Fund (\$22,526,763) and Sewer Investment Fund (\$46,343,799) are the major components 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 51.39 mills for calendar year 2022.
- The government's total net position increased by \$44,584,204 due primarily to the sale of the Sewer System in August 11, 2022.
- As of the close of the current fiscal year, the Borough of Bristol governmental funds reported combined ending fund balances of \$71,959,596 an increase of \$46,710,288 in comparison with the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$807,265.
- 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 53.2% funded and the Police Pension Plan is 62.4% 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 units are 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 purposes. 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 (21%) 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 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$69,920,893) may be used to meet the government's ongoing obligations to citizens and creditors. The Investment fund and Sewer Investment Fund are the major components 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 \$44,584,204 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 \$47,786,600. Key elements of this increase are located on the Statement of Net Position spreadsheet.

- Property taxes revenue increased by \$15,099 during the year.
- Operating and Capital Grants for governmental increased by \$222,807 over previous year amount of \$1,431,200.

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 \$71,959,596 an increase of \$46,710,288 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

\$802,265 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 \$786,571 during the current fiscal year. Key factors in this increase are as follows:

- The property tax revenue increased by \$24,797.
- Intergovernmental revenues of the general fund increased by \$11,296, as a result of an increase in state shared revenues.
- Public Safety and Highway expenditures decreased by \$298,769.
- Charges for services decreased by \$518,381.

The debt service fund has a total fund balance of \$126,806, 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 \$1,428,607. This represents an increase of \$329,084 over the prior year unrestricted net position of \$1,099,523. 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 \$19,055,562 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 \$308,000. Of this amount, \$308,000 comprises debt backed by the full faith and credit of the government.

**Sale of Water and Sewer Authority.** Bristol Borough Water and Sewer Authority was sold to Bucks County Water and Sewer Authority on August 11, 2022 in the amount of Fifty Million Dollars (\$50,000,000.00).

### **Economic Factors and Next Year's Budgets and Rates**

The Borough of Bristol's population has basically remained the same from the 2022 Census figure of 9,852. The Borough has remained primarily a residential and small business community. According to the 2022 Census, the Borough's household median is \$65,651.

In preparing the 2022 Budget, payroll figures were based on union pay scales. In establishing the 2022 Budget, historical trends and vendor inquires 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](mailto:jdillon@bristolboro.com).

**BOROUGH OF BRISTOL  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$5,648,557	\$3,662,925	\$9,311,482
Investments at fair value	67,151,742		67,151,742
Interest receivable	78,512		78,512
Accounts receivable (net of allowance for uncollectibles)	247,697	1,694,351	1,942,048
Taxes receivable	119,737		119,737
Inventories	5,000	6,368	11,368
Due from Recreation Authority			0
Prepaid items	277,564	16,544	294,108
Other receivable		280,000	280,000
Capital assets (net of accumulated depreciation)			
Land	7,760,508		7,760,508
Buildings and systems	6,378,568		6,378,568
Improvements other than buildings	3,918,027		3,918,027
Machinery and equipment	998,459		998,459
Total assets	<u>92,584,371</u>	<u>5,660,188</u>	<u>98,244,559</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions and OPEB	(113,147)	(4,854)	(118,001)
Deferred inflows related to pensions and OPEB	1,692,914	214,889	1,907,803
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	555,305	318,765	874,070
Escrow payable	745,501		745,501
Noncurrent liabilities:			
Notes payable due within one year	101,000		101,000
Notes payable due in more than one year	207,000		207,000
Net Pension Liability	6,942,730	1,283,631	8,226,361
Net OPEB Obligation	1,347,724	35,395	1,383,119
Compensated absences	386,216		386,216
Total liabilities	<u>10,285,476</u>	<u>1,637,791</u>	<u>11,923,267</u>
<b>NET POSITION</b>			
Net investment in capital assets	18,747,562		18,747,562
Restricted for:			
Highways and streets	13,892		13,892
Culture and recreation	9,087	292,854	301,941
Debt service	126,806		126,806
Unrestricted	64,981,315	3,939,578	68,920,893
Total Net Position	<u>\$83,878,662</u>	<u>\$4,232,432</u>	<u>\$88,111,094</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, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	
<b>Primary government</b>						
Governmental activities:						
General government	\$3,217,166	\$217,579		(\$2,612,748)		(\$2,612,748)
Public safety	4,272,528	58,169		(\$4,016,335)		(4,016,335)
Highways and streets	862,756	779,114	60,000	\$22,749		22,749
Public works	1,506,767	36,404		\$6,351		6,351
Culture and recreation	310,260		502,741	\$205,881		205,881
Interest on long-term debt	10,182			(\$10,182)		(10,182)
Total governmental activities	10,179,659	1,091,266	562,741	(\$6,404,284)	0	(6,404,284)
Business-type activities						
Sewer System	1,466,172				\$159,601	159,601
Water/Sewer Authority	314,713				(\$314,713)	(314,713)
Recreation Authority	529,149				(\$529,149)	(529,149)
Total business-type activities	2,310,034	0	0		(684,261)	(684,261)
Total primary government	\$12,489,693	\$1,091,266	\$562,741	(6,404,284)		(7,088,545)
General revenues:						
Property taxes				4,039,748		4,039,748
Real estate transfer taxes				448,671		448,671
Occupation taxes				144,470		144,470
Mechanical device and other taxes				4,387		4,387
Unrestricted investment earnings				936,905	33,877	970,782
Rent				238,794		238,794
Miscellaneous revenues				343,609	89,887	433,496
Gain on sale of Sewer Authority					45,392,401	45,392,401
Transfers				48,034,300	(48,034,300)	0
Total general revenue and transfers				54,190,884	(2,518,135)	51,672,749
Change in net position				47,786,600	(3,202,396)	44,584,204
Net position-beginning				36,092,062	7,434,828	43,526,890
Net position-ending				\$83,878,662	\$4,232,432	\$88,111,094

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



**BOROUGH OF BRISTOL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

<b>ASSETS</b>	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>
Cash and Cash Equivalents	\$800,987	\$1,282,163	\$126,854
Investments at fair market value			
Receivables (net of allowance of uncollectibles)			10,702
Taxes receivable (net of allowance of uncollectibles)	81,421		2,395
Prepaid expense	252,947		
Interest receivable			
Due from other funds			
Other assets			
Inventory	5,000		
Total assets	\$1,140,355	\$1,282,163	\$139,951
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	85,600		48
Salaries and benefits payable	166,069		
Escrow			
Due to Pension funds			
Interest Payable - Pensions			
Other liabilities			
Total liabilities	251,669	0	48
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	81,421		13,097
Total deferred inflows of resources	81,421	0	13,097
Fund balances:			
<b>Nonspendable:</b>			
Inventory	5,000		
Prepaid items			
<b>Restricted:</b>			
Capital projects		1,282,163	
Debt service			126,806
Capital development			
Capital reserve			
2008 GOB Note			
Investments			
Sewer investments			
Special revenue funds			
<b>Assigned:</b>			
Subsequent year's budget: appropriation of fund balance			
<b>Unassigned:</b>			
General fund (deficit)	802,265		
Total fund balances (deficits)	807,265	1,282,163	126,806
Total liabilities, deferred inflow of resources, and fund balances (deficits)	\$1,140,355	\$1,282,163	\$139,951

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

<u>2008 GOB Note</u>	<u>Investments</u>	<u>Sewer Investments</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	\$100,100	\$1,540,208	\$1,798,245	\$5,648,557
	22,348,151	44,803,591		67,151,742
			236,995	247,697
			35,921	119,737
			24,617	277,564
	78,512			78,512
				0
				0
				5,000
<u>\$0</u>	<u>\$22,526,763</u>	<u>\$46,343,799</u>	<u>\$2,095,778</u>	<u>\$73,528,809</u>
			99,399	185,047
				166,069
			745,501	745,501
				0
				0
			116,860	116,860
<u>0</u>	<u>0</u>	<u>0</u>	<u>961,760</u>	<u>1,213,477</u>
			261,218	355,736
<u>0</u>	<u>0</u>	<u>0</u>	<u>261,218</u>	<u>355,736</u>
				5,000
				0
				1,282,163
				126,806
				0
				0
0	22,526,763	46,343,799		22,526,763
			872,800	46,343,799
				872,800
				0
				802,265
<u>0</u>	<u>22,526,763</u>	<u>46,343,799</u>	<u>872,800</u>	<u>71,959,596</u>
<u>\$0</u>	<u>\$22,526,763</u>	<u>\$46,343,799</u>	<u>\$2,095,778</u>	<u>\$73,528,809</u>

**BOROUGH OF BRISTOL  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Total fund balances - governmental funds (page 7)	\$71,959,596
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,055,562
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	355,736
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(7,492,232)</u>
Net position of governmental activities	<u><u>\$83,878,662</u></u>

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



<u>2008 GOB Note</u>	<u>Investments</u>	<u>Sewer Investments</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
			\$1,208,238	\$4,049,346
				448,671
				144,470
				4,386
				0
				238,794
			1,376,428	1,654,007
			1,519,045	1,952,275
	335,608	553,807	14,879	936,905
				198,024
			66,131	257,033
<u>0</u>	<u>335,608</u>	<u>553,807</u>	<u>4,184,721</u>	<u>9,883,911</u>
	1,250,519		1,670,779	4,429,205
			385,269	3,992,204
			224,761	803,854
			304,670	304,670
				0
99,000				766,000
6,935				10,182
			27,500	85,674
				0
			758,237	810,544
			5,590	5,590
<u>105,935</u>	<u>1,250,519</u>	<u>0</u>	<u>3,376,806</u>	<u>11,207,923</u>
<u>(105,935)</u>	<u>(914,911)</u>	<u>553,807</u>	<u>807,915</u>	<u>(1,324,012)</u>
				0
105,935		45,789,992		49,408,690
	(347,714)		(1,011,676)	(1,374,390)
<u>105,935</u>	<u>(347,714)</u>	<u>45,789,992</u>	<u>(1,011,676)</u>	<u>48,034,300</u>
0	(1,262,625)	46,343,799	(203,761)	46,710,288
0	23,789,388	0	1,076,561	25,249,308
<u>\$0</u>	<u>\$22,526,763</u>	<u>\$46,343,799</u>	<u>\$872,800</u>	<u>\$71,959,596</u>

**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, 2022**

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)	\$46,710,288
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.	653,820
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(38,528)
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.	766,000
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>(304,980)</u>
Change in net position of governmental activities (page 4)	<u><u>\$47,786,600</u></u>

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, 2022**

	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Final Budget- Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$3,264,766	\$3,348,676	\$83,910
Licenses and permits	513,000	386,839	(126,161)
Fines	132,000	198,024	66,024
Intergovernmental	201,486	217,579	16,093
Investment earnings	3,000	11,504	8,504
Rents	237,885	238,794	909
Miscellaneous revenues and parking meter collections	194,500	195,490	990
Total revenues	<u>4,546,637</u>	<u>4,596,906</u>	<u>50,269</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Finance and administration	470,967	479,167	(8,200)
Legal	90,000	113,539	(23,539)
Other - unclassified	856,978	779,406	77,572
Total general government	<u>1,417,945</u>	<u>1,372,112</u>	<u>45,833</u>
Public safety:			
Police	3,219,007	3,176,225	42,782
Fire	28,600	20,946	7,654
Inspection	206,500	91,981	114,519
Planning & Zoning	342,775	307,225	35,550
Health & welfare	620	10,558	(9,938)
Total public safety	<u>3,797,502</u>	<u>3,606,935</u>	<u>190,567</u>
Highways and streets:			
Highway department	675,802	585,781	90,021
Solid waste collection & disposal	0	0	0
Engineering	75,000	108,795	(33,795)
Total highways and streets	<u>750,802</u>	<u>694,576</u>	<u>56,226</u>
Capital outlay:			
General government	68,000	58,174	9,826
Public safety:			
Police	0	0	0
Total capital outlay	<u>68,000</u>	<u>58,174</u>	<u>9,826</u>
Total expenditures	<u>6,034,249</u>	<u>5,731,797</u>	<u>302,452</u>
Excess of revenues over expenditures	<u>(1,487,612)</u>	<u>(1,134,891)</u>	<u>352,721</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,649,057	1,921,462	272,405
Total other financing sources and uses	<u>1,649,057</u>	<u>1,921,462</u>	<u>272,405</u>
Net change in fund balances	161,445	786,571	625,126
Fund balances - beginning	308,320	20,694	(287,626)
Fund balances - ending	<u>\$469,765</u>	<u>\$807,265</u>	<u>\$337,500</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, 2022**

**Business-type Activities-  
Enterprise Funds**

	<u>Sewer System Current Year</u>	<u>Water/Sewer Authority Current Year</u>	<u>Recreation Authority FYE 12/31/22</u>	<u>Totals Current Year</u>
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$1,443,143	\$1,303,974	\$915,808	3,662,925
Accounts receivable (net of allowance for uncollectibles)	1,543,151		151,200	1,694,351
Due from Recreation Authority				0
Due from Sewer Revenue Fund				0
Prepaid expense	16,544			16,544
Inventory of supplies	6,368			6,368
Other assets		280,000		280,000
Total Current Assets	<u>3,009,206</u>	<u>1,583,974</u>	<u>1,067,008</u>	<u>5,660,188</u>
Capital assets:				
Buildings and system				0
Less accumulated depreciation				0
Total capital assets (net of accumulated depreciation)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total noncurrent assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$3,009,206</u>	<u>\$1,583,974</u>	<u>\$1,067,008</u>	<u>5,660,188</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to OPEB	(4,854)			(4,854)
Deferred inflows related to pensions	214,889			214,889
<b>LIABILITIES</b>				
Accounts payable	64,132	155,367		219,499
Accrued liabilities	85,460		13,806	99,266
Deferred revenue				0
Due to Non-Uniformed Pension Fund				0
Due to Water/Sewer Authority				0
Total current liabilities	<u>149,592</u>	<u>155,367</u>	<u>13,806</u>	<u>318,765</u>
Current liabilities payable from restricted assets:				
Revenue bonds and notes payable				0
Total current liabilities payable from restricted assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)				0
Notes payable, net of current portion				0
Net OPEB Liability	35,395			35,395
Net pension Liability	1,283,631			1,283,631
Total noncurrent liabilities	<u>1,319,026</u>	<u>0</u>	<u>0</u>	<u>1,319,026</u>
Total Liabilities	<u>1,468,618</u>	<u>155,367</u>	<u>13,806</u>	<u>1,637,791</u>
<b>NET POSITION</b>				
Net investment in capital assets	0	0	0	0
Restricted	0	0	292,854	292,854
Unrestricted	1,750,623	1,428,607	760,348	3,939,578
Total net position	<u>\$1,750,623</u>	<u>\$1,428,607</u>	<u>\$1,053,202</u>	<u>\$4,232,432</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, 2022**

**Business-type Activities-**  
**Enterprise Funds**

	<u>Sewer System Current Year</u>	<u>Water/Sewer Authority Current Year</u>	<u>Recreation Authority FYE 12/31/22</u>	<u>Totals</u>
Operating revenues:				
Charges for sales and services:				
Sewer charges	\$1,608,676			\$1,608,676
Other services	17,097			17,097
State grant/loan reimbursements	0			0
Miscellaneous revenues	89,887			89,887
Total Operating revenues	<u>1,715,660</u>	<u>0</u>	<u>0</u>	<u>1,715,660</u>
Operating expenses:				
Salaries and wages	322,748			322,748
Operating supplies and expenses	155,361			155,361
Plant and equipment maintenance	207,375			207,375
Administrative expense	737,213	50,001	529,149	1,316,363
Depreciation expense		261,869		261,869
Total operating expenses	<u>1,422,697</u>	<u>311,870</u>	<u>529,149</u>	<u>2,263,716</u>
Operating income	<u>292,963</u>	<u>(311,870)</u>	<u>(529,149)</u>	<u>(548,056)</u>
Nonoperating revenues (expenses):				
Investment earnings	19,119	10,744	4,014	33,877
Interest expense	(43,475)	(2,843)		(46,318)
Bristol Borough Reimbursement				0
Gain on Sale of Sewer Authority		45,392,401		45,392,401
Miscellaneous				0
Total nonoperating revenue (expenses)	<u>(24,356)</u>	<u>45,400,302</u>	<u>4,014</u>	<u>45,379,960</u>
Income before contributions and transfers	<u>268,607</u>	<u>45,088,432</u>	<u>(525,135)</u>	<u>44,831,904</u>
Transfers in	1,103,245	264,883		1,368,128
Transfers out	(934,987)	(48,467,441)		(49,402,428)
Change in net position	<u>436,865</u>	<u>(3,114,126)</u>	<u>(525,135)</u>	<u>(3,202,396)</u>
Net position-beginning	1,313,758	4,542,733	1,578,337	7,434,828
Net position-ending	<u>\$1,750,623</u>	<u>\$1,428,607</u>	<u>\$1,053,202</u>	<u>\$4,232,432</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, 2022**

	Business-type Activities- Enterprise Funds			Totals
	Sewer System Current Year	Water/Sewer Authority Current Year	Recreation Authority FYE 12/31/22	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$2,396,032			\$2,396,032
Payments to suppliers and system manager	(1,093,658)	(3,723)		(\$1,097,381)
Payments to employees	(581,071)			(\$581,071)
Miscellaneous	89,887	(50,001)	(529,149)	(\$489,263)
Net cash provided (used) by operating activities	<u>811,190</u>	<u>(53,724)</u>	<u>(529,149)</u>	<u>228,317</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	1,103,245	264,883		1,368,128
Transfer to other funds	(934,987)	(46,364,196)		(47,299,183)
Advances from other funds				0
Payment to Bristol Borough				0
Net cash provided (used) by noncapital and related financing activities	<u>168,258</u>	<u>(46,099,313)</u>	<u>-</u>	<u>(45,931,055)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt				0
Purchases of capital assets		(324,786)		(324,786)
Sale of Sewer Authority		50,000,000		50,000,000
Principal paid on capital debt	(1,103,245)	(3,626,245)		(4,729,490)
Interest paid on capital debt	(43,475)	(2,843)		(46,318)
Miscellaneous		(221,599)		(221,599)
Net cash provided (used) by capital and related financing activities	<u>(1,146,720)</u>	<u>45,824,527</u>	<u>-</u>	<u>44,677,807</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	19,119	10,744	4,014	33,877
Net cash provided (used) by investing activities	<u>19,119</u>	<u>10,744</u>	<u>4,014</u>	<u>33,877</u>
Net increase in cash and cash equivalents	(148,153)	(317,766)	(525,135)	(991,054)
Cash and cash equivalents, January 1	1,591,296	1,621,740	1,440,943	4,653,979
Cash and cash equivalents, December 31	<u>\$1,443,143</u>	<u>\$1,303,974</u>	<u>\$915,808</u>	<u>\$3,662,925</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	292,963	(\$311,870)	(\$529,149)	(\$548,056)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense		261,869		261,869
Pension expense	(249,311)			(249,311)
(Increase) decrease in accounts receivable	770,259			770,259
(Increase) Decrease in prepaid expense	(16,544)			(16,544)
Increase (decrease) in accounts payable and accrued liabilities	13,823	(3,723)		10,100
Increase (decrease) in deferred revenue				0
Decrease in inventory				0
(Increase) in other assets				0
Total adjustments	<u>518,227</u>	<u>258,146</u>	<u>0</u>	<u>776,373</u>
Net cash provided by operating activities	<u>\$811,190</u>	<u>(\$53,724)</u>	<u>(\$529,149)</u>	<u>\$228,317</u>
<b>Noncash investing, capital, and financing activities:</b>				
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, 2022**

	<b>Employees' Pension Fund</b>	<b>Police Pension Fund</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$127,248	\$129,997
Accounts receivable		391,805
Investments, at fair value:		
Corporate Bonds		
Government Securities		
Mutual funds/ETFs:		
Equity	2,197,241	3,125,075
Fixed income	1,745,830	2,483,203
International	745,532	1,060,489
Total investments	4,688,603	6,668,767
Total assets	4,815,851	7,190,569
<b>LIABILITIES</b>		
Accrued Investment Expense		
Pensions Payable		
Due to Police Pension Plan	391,805	
Due to Non-Uniformed Pension Plan		
Refund of Employee Contributions		
Total Liabilities	391,805	-
<b>NET POSITION</b>		
Net Position held in trust for pension benefits and other purposes	\$4,424,046	\$7,190,569

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, 2022**

	<b>Employees' Pension Fund</b>	<b>Police Pension Fund</b>
<b>ADDITIONS</b>		
Contributions:		
State Aid	\$ 82,887	\$ 134,692
Employer	539,731	509,908
Plan Member	82,110	95,601
Total Contributions	<u>704,728</u>	<u>740,201</u>
Investment earnings:		
Interest and dividends	114,821	200,295
Net (decrease) increase in the fair value of investments	(774,498)	(1,380,861)
Total investment earnings	<u>(659,677)</u>	<u>(1,180,566)</u>
Less investment expense	(16,975)	(30,375)
Net investment earnings	<u>(676,652)</u>	<u>(1,210,941)</u>
Total additions	<u>28,076</u>	<u>(470,740)</u>
<b>DEDUCTIONS</b>		
Benefits	532,721	586,666
Refund of Employee Contributions	0	0
Administrative expenses	9,450	11,800
Investment management expenses	0	0
Total deductions	<u>542,171</u>	<u>598,466</u>
Change in net position	<u>(514,095)</u>	<u>(1,069,206)</u>
Net position - beginning	4,938,141	8,259,775
Net position - ending	<u>\$ 4,424,046</u>	<u>\$ 7,190,569</u>

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

BOROUGH OF BRISTOL  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**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. All Sewer Authority assets were sold on August 11, 2022.

Financial data of the Water and Sewer Authority is available in our financial statement of the component unit dated September 15, 2023. It is also included in these financial statements as a blended component unit. Financial data of the Recreation Authority as of December 31, 2022 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, 2022 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, 2022 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 \$7,492,232 difference are as follows:

Bonds and notes payable	\$308,000
Net Pension Liability	6,942,730
Deferred Outflows – Pensions	(1,579,767)
Net OPEB Obligation	1,347,724
Accrued Liability – OPEB	87,329
Compensated Absences	<u>386,216</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$7,492,232</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 \$653,820 difference are as follows:

Capital outlay	\$1,378,112
Depreciation expense	<u>(724,292)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<u>\$653,820</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 \$766,000 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation notes	\$ 0
Less amortized discounts and issue costs	
Principal repayments	<u>766,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$766,000</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 \$304,980 difference are as follows:

Compensated Absences	\$(31,551)
Pension Expense Adjustment	<u>(273,429)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$(304,980)</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 2022.

#### B. Excess of expenditures over appropriations

For the year ended December 31, 2022, 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>
Street Lighting Fund	\$15,973
Refuse Fund	42,883
Recreation Fund	55,204
Road Reconstruction Fund	279,026
Debt Service Fund	572,295
Investment Fund	1,245,019

**C. Deficit fund equity**

Road Reconstruction

**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 \$7,482,113 and the bank balance was \$7,500,238, 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)	5,083,381	5,351,506	Penn Community Bank
Collateralized	1,540,208	1,540,208	Janney Montgomery Scott
Collateralized	100,100	100,100	PLGIT/US Bank
Collateralized	1,179	1,179	PLGIT
Collateralized	<u>257,245</u>	<u>257,245</u>	Janney Montgomery Scott
<b>Total Deposits</b>	<b><u>\$7,232,113</u></b>	<b><u>\$7,500,238</u></b>	

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, 2022, 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, 2022, 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>
Corporate Bonds & Notes	\$531,196	\$197,580	\$333,616		
Fixed Income Bonds	44,803,591	44,803,591			
U.S. Treasuries	10,730,600	1,960,180	8,770,420		
U.S. Agencies	<u>11,086,355</u>	<u>3,080,338</u>	<u>3,853,819</u>	<u>\$1,221,092</u>	<u>\$2,931,106</u>
<b>Total</b>	<b><u>\$67,151,742</u></b>	<b><u>\$50,041,689</u></b>	<b><u>\$12,957,855</u></b>	<b><u>\$1,221,092</u></b>	<b><u>\$2,931,106</u></b>

**Police and Non-uniform Pension Funds:**

<u>Investment Type</u>	<u>Fair Value</u>
Stock and Bond Mutual Funds	<u>\$11,357,370</u>
<b>Total</b>	<b><u>\$11,357,370</u></b>

*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, 2022, 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 &amp; Sewer Enterprise Funds</u>	<u>Nonmajor and Other Fund</u>	<u>Total</u>
Receivables:							
Interest				\$78,512			\$78,512
Taxes	\$81,421		\$2,395			\$35,921	119,737
Accounts		\$0	10,702		\$1,543,151	236,995	1,790,848
Interfund Receivable							
Gross receivables	<u>81,421</u>	<u>0</u>	<u>13,097</u>	<u>78,512</u>	<u>1,543,151</u>	<u>272,916</u>	<u>1,989,097</u>
Less: Allowance for Uncollectibles							
Net total receivables	<u>\$81,421</u>	<u>\$0</u>	<u>\$13,097</u>	<u>\$78,512</u>	<u>\$1,543,151</u>	<u>\$272,916</u>	<u>\$1,989,097</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 2022	\$0	\$0
Delinquent property taxes receivable (general fund)	81,421	
Delinquent property taxes receivable (debt service fund)	2,395	
Delinquent property taxes receivable (special revenue fund)	35,921	
Delinquent sidewalk assessments receivable (special revenue fund)		
Delinquent sidewalk assessments receivable (d/s fund)	10,702	
Delinquent refuse charges receivable (refuse fund)	<u>225,297</u>	
Total deferred/unearned revenue for government funds	<u>\$355,736</u>	<u>\$0</u>

**C. Capital assets**

Capital asset activity for the year ended December 31, 2022 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Government Activities</b>				
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	6,553,239	751,642		7,304,881
Machinery, equipment, and vehicles	3,283,896	626,470		3,910,366
Infrastructure				
Total Capital assets being depreciated	<u>21,104,849</u>	<u>1,378,112</u>		<u>22,482,961</u>
Less accumulated depreciation for:				
Buildings	4,638,730	250,420		4,889,150
Improvements other than building	3,082,553	304,297		3,386,850
Machinery, equipment, and vehicles	2,742,334	169,575		2,911,909
Infrastructure				
Total accumulated depreciation	<u>10,463,617</u>	<u>724,292</u>		<u>11,187,909</u>
Total capital assets, being depreciated, net	<u>10,641,232</u>	<u>653,820</u>		<u>11,295,052</u>
Government activities capital assets, net	<u>\$18,401,740</u>	<u>\$653,820</u>		<u>\$19,055,560</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business - type activities</b>				
Capital assets, not being depreciated:				
Land				
Total capital assets not being depreciated				
Capital assets, being depreciated:				
Buildings and systems	\$12,778,095	480,154	13,258,249	
Improvements, machinery and equipment				
Total capital assets being depreciated	<u>12,778,095</u>	<u>480,154</u>	<u>13,258,249</u>	
Less accumulated depreciation for:				
Buildings and systems	7,330,380	261,869	7,592,249	
Improvements, machinery and equipment				
Total accumulated depreciation	<u>7,330,380</u>	<u>261,869</u>	<u>7,592,249</u>	
Total capital assets, being depreciated, net	<u>5,447,715</u>	<u>218,285</u>	<u>5,666,000</u>	
Business - type activities capital assets, net	<u>\$5,447,715</u>	<u>\$218,285</u>	<u>5,666,000</u>	

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

<b>Governmental Activities:</b>	
General government	\$231,331
Public safety	98,818
Highways and streets, including depreciation of general infrastructure assets	386,153
Culture and recreation	<u>7,990</u>
Total depreciation expense-governmental activities	<u>\$724,292</u>
<b>Business-type activities:</b>	
Water & sewer authority fund	\$261,869
Recreation authority	<u>0</u>
Total depreciation expense-business-type activities	<u>\$261,869</u>

**Construction commitments**

None

**D. Interfund receivables, payables, and transfers**

Internal balances at December 31, 2022 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>\$0</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, 2022, consisted of the following:

Transfers to General fund from:	
Nonmajor Governmental funds	\$905,741
Sewer System fund	653,007
Debt Service fund	15,000
Investment fund	<u>\$347,714</u>
Total transfers to General fund	<u>\$1,921,462</u>
Transfers to Debt Service fund from:	
Sewer System fund	<u>\$574,204</u>
Total transfers to Debt Service fund	<u>\$574,204</u>
Transfers to Capital Projects fund from:	
Sewer System fund	\$1,017,097
Total transfers to Capital Reserve fund	<u>\$1,017,097</u>
Transfers to 2008 GOB Note from:	
Highway Aid fund	<u>\$105,935</u>
Total transfers to 2008 GOB Note	<u>\$105,935</u>
Transfers to Sewer Investment fund from:	
Sewer Revenue fund	<u>\$45,789,992</u>
Total transfers to Sewer Investment fund	<u>\$45,789,992</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	\$308,000
Business-type activities	Variable	\$0

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>
2023	\$101,000	\$5,975	\$0	\$0
2024	103,000	4,016		
2025	<u>104,000</u>	<u>2,018</u>		
Total	<u>\$308,000</u>	<u>\$12,009</u>	<u>\$0</u>	<u>\$0</u>

Revenue Bonds

All revenue bonds have been paid off as of December 31, 2022.

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, 2022. 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, 2022.

As of December 31, 2022, Delaware Valley would have received payment of approximately \$132 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>\$308,000</u>	<u>\$7,377</u>	<u>\$8,831</u>
2016 Notes Payable	<u>\$0</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 \$1,795,000 at December 31, 2022.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$1,074,000	\$	\$(766,000)	\$308,000	\$101,000
Less deferred amounts:					
For issuance discounts	<u>0</u>			<u>0</u>	
Net OPEB Obligation	1,493,435		(145,711)	1,347,724	
Net Pension Liability	4,785,050	2,157,680		6,942,730	
Compensated absences	<u>354,665</u>	<u>31,551</u>		<u>386,216</u>	
Governmental activity					
Long-term liabilities	<u>\$7,707,150</u>	<u>\$2,189,231</u>	<u>\$(911,711)</u>	<u>\$8,984,670</u>	<u>\$101,000</u>

**Business-type activities:**

## Bonds &amp; Loans payable:

Penn Works Loan	\$1,103,245	\$ 0	\$(1,103,245)	\$0	\$0
Revenue bonds	2,523,000	0	(2,523,000)	0	
Net OPEB Obligation	43,596		(8,201)	35,395	
Net Pension Liability	<u>1,136,924</u>	<u>146,707</u>		<u>1,283,631</u>	
Business-type activity					
Long-term liabilities	<u>\$4,806,765</u>	<u>\$146,707</u>	<u>\$(3,634,446)</u>	<u>\$1,319,026</u>	<u>\$0</u>

**V. Other information****A. 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**

The Water and Sewer Authority was sold for \$50 million in August 2022. As a result, the following debt was paid off as a result of this transaction: Penn Works Loan in the amount of: \$1,103,245; 2016 Notes Payable in the amount of: \$2,523,000; and 2008 Notes Payable in the amount of: \$766,000. There are no other related party transactions.

**C. Subsequent events**

None

**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, 2022 and 2023, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Active employees	12	12
Retirees and beneficiaries currently receiving benefits	11	10
Terminated employees entitled to benefits but not yet receiving them	0	1
Total	23	23

**Benefit Provisions**

As of January 1, 2023, 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	15%
Large Cap	41%	Fixed Income	35%
Mid Cap	0%	Real Estate	0%
Small Cap	2%	Cash	7%

### **Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -14.54 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, 2022 were as follows:

Total Pension Liability (TPL)	\$11,527,140
Plan Fiduciary Net Position	\$7,190,569
Net Pension Liability (NPL)	\$4,336,571
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.4%

### **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, 2022. 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 2.45%) 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, 2022 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	6.22%
Large Cap	5.37%	Fixed Income	2.09%

Mid Cap	6.53%	Real Estate	4.87%
Small Cap	6.53%	Cash	-0.45%

### 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	Current Discount Rate	1% Increase
	<u>7.00%</u>	<u>8.00%</u>	<u>9.00%</u>
Net Pension Liability	\$5,715,131	\$4,336,571	\$3,172,814

### 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)
<b>Balances at 12/31/2021</b>	\$11,050,624	\$8,259,775	\$2,790,849
<b>Changes for the year:</b>			
Service Cost	187,591		187,591
Interest	875,591	-	875,591
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-		-
Changes of Assumptions	-		-
Contributions - Employer	-	509,908	(509,908)
Contributions - State Aid	-	134,692	(134,692)
Contributions - Member	-	95,601	(95,601)
Net Investment Income	-	(1,210,941)	1,210,941
Benefit Payments	(586,666)	(586,666)	-
Administrative Expense	-	(11,800)	11,800
Other Changes	-	-	-
<b>Net Changes</b>	<u>476,516</u>	<u>(1,069,206)</u>	<u>1,545,722</u>
<b>Balances at 12/31/2022</b>	\$11,527,140	\$7,190,569	\$4,336,571

### Pension Expense for Fiscal Year Ended December 31, 2022

Service Cost	\$187,591
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Interest on Total Pension Liability	875,591
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(1,534)
Changes of Assumptions	70,439
Employee Contributions	(95,601)
Projected Earnings on Pension Plan Investments	(653,559)
Differences Between Projected and Actual Earnings on Investments	(316,908)
Administrative Expense	11,800
Other Changes in Fiduciary Net Position	-
<b>Total Pension Expense</b>	<b>\$711,635</b>

**Deferred Outflows and Deferred Inflows of Resources**

For the year ended December 31, 2022, the municipality recognized a pension expense of \$711,635. At December 31, 2022, 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	\$	\$ (90,940)
Changes in Assumptions	272,597	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,074,965</u>	<u>-</u>
Total	\$1,347,562	(\$90,940)

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:	
2023	224,045
2024	319,815
2025	341,727
2026	371,035
2027	-
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, 2022 and 2023, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Active employees	13	13
Retirees and beneficiaries currently receiving benefits	17	19
Terminated employees entitled to benefits but not yet receiving them	0	0
Total	30	32

**Benefit Provisions**

As of January 1, 2023, 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	17%
Large Cap	47%	Fixed Income	39%
Mid Cap	0%	Real Estate	0%
Small Cap	3%	Cash	-6%

**Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -13.48 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, 2022 were as follows:

Total Pension Liability (TPL)	\$8,313,836
Plan Fiduciary Net Position	\$4,424,046
Net Pension Liability (NPL)	\$3,889,790
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.2%

**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, 2022. 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 2.45%) 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, 2022 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	6.22%
Large Cap	5.37%	Fixed Income	2.09%

Mid Cap	6.53%	Real Estate	4.87%
Small Cap	6.53%	Cash	-0.45%

### 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	Current Discount Rate	1% Increase
	7.00%	8.00%	9.00%
Net Pension Liability	\$4,744,384	\$3,889,790	\$3,153,198

### 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)
<b>Balances at 12/31/2021</b>	\$8,069,266	\$4,938,141	\$3,131,125
<b>Changes for the year:</b>			
Service Cost	141,721	-	141,721
Interest	635,570	-	635,570
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	539,731	(539,731)
Contributions - State Aid	-	82,887	(82,887)
Contributions - Member	-	82,110	(82,110)
Net Investment Income	-	(676,652)	676,652
Benefit Payments	(532,721)	(532,721)	-
Administrative Expense	-	(9,450)	9,450
Other Changes	-	-	-
<b>Net Changes</b>	<u>244,570</u>	<u>(514,095)</u>	<u>758,665</u>
<b>Balances at 12/31/2022</b>	\$8,313,836	\$4,424,046	\$3,889,790

### **Pension Expense for Fiscal Year Ended December 31, 2022**

Service Cost	\$141,721
Interest on Total Pension Liability	635,570
Changes in Benefit Terms	-

Differences Between Expected and Actual Experience	(24,631)
Changes of Assumptions	191,852
Employee Contributions	(82,110)
Projected Earnings on Pension Plan Investments	(389,101)
Differences Between Projected and Actual Earnings on Investments	174,288
Administrative Expense	9,450
Other Changes in Fiduciary Net Position	-
<b>Total Pension Expense</b>	<b>\$657,039</b>

**Deferred Outflows and Deferred Inflows of Resources**

For the year ended December 31, 2022, the municipality recognized a pension expense of \$657,039. At December 31, 2022, 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	\$	\$(144,467)
Changes in Assumptions	241,512	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>554,135</u>	<u>-</u>
Total	\$795,647	\$(144,467)

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:	
2023	\$130,206
2024	152,505
2025	155,320
2026	213,149
2027	-
Thereafter	-

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	2022
<b>Total Pension Liability</b>								
Service Cost	\$ 120,295	\$ 126,310	\$ 150,324	\$ 157,840	\$ 164,693	\$ 172,928	\$ 134,972	\$ 141,721
Interest	440,167	446,600	531,738	550,243	562,572	586,774	618,459	635,570
Changes of Benefit Terms	-	-	205,123	-	(126,636)	-	(182,516)	-
Differences Between Expected and Actual Experience	-	-	747,394	-	-	-	-	-
Changes of Assumptions	-	-	(470,658)	(445,857)	(422,536)	(443,410)	(559,852)	(532,721)
Benefit Payments, Including Refunds of Member Contributions	88,123	73,130	1,163,921	262,226	178,093	316,292	369,525	244,570
<b>Net Change in Total Pension Liability</b>	<b>5,617,956</b>	<b>5,706,079</b>	<b>5,779,209</b>	<b>6,943,130</b>	<b>7,205,356</b>	<b>7,383,449</b>	<b>7,699,741</b>	<b>8,069,266</b>
<b>Total Pension Liability - Beginning</b>	<b>\$ 5,706,079</b>	<b>\$ 5,779,209</b>	<b>\$ 6,943,130</b>	<b>\$ 7,205,356</b>	<b>\$ 7,383,449</b>	<b>\$ 7,699,741</b>	<b>\$ 8,069,266</b>	<b>\$ 8,313,836</b>
<b>Total Pension Liability - Ending</b>								
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	281,511	326,789	327,731	327,796	471,637	524,409	476,198	539,731
Contributions - State Aid	66,654	74,369	73,412	74,950	81,928	78,781	81,554	82,887
Contributions - Member	81,606	77,928	87,735	85,774	80,329	79,321	87,550	82,110
Net Investment Income	(76,563)	204,306	327,019	(217,243)	511,267	197,329	783,111	(676,652)
Benefit Payments, Including Refunds of Member Contributions	(472,339)	(499,780)	(470,658)	(445,857)	(422,536)	(443,410)	(559,852)	(532,721)
Administrative expenses	(8,820)	(2,337)	(9,825)	(6,000)	(5,350)	(7,005)	(4,405)	(9,450)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(127,951)</b>	<b>181,275</b>	<b>335,414</b>	<b>(180,580)</b>	<b>717,475</b>	<b>429,425</b>	<b>864,156</b>	<b>(514,095)</b>
<b>Plan Net Position - Beginning</b>	<b>2,718,927</b>	<b>2,590,976</b>	<b>2,772,251</b>	<b>3,107,665</b>	<b>2,927,085</b>	<b>3,644,560</b>	<b>4,073,985</b>	<b>4,938,141</b>
<b>Plan Net Position - Ending</b>	<b>\$ 2,590,976</b>	<b>\$ 2,772,251</b>	<b>\$ 3,107,665</b>	<b>\$ 2,927,085</b>	<b>\$ 3,644,560</b>	<b>\$ 4,073,985</b>	<b>\$ 4,938,141</b>	<b>\$ 4,424,046</b>
<b>Municipality's Net Pension Liability</b>								
	\$ 3,115,103	\$ 3,006,958	\$ 3,635,465	\$ 4,278,271	\$ 3,738,889	\$ 3,625,756	\$ 3,131,125	\$ 3,889,790
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	45.4%	48.0%	44.8%	40.6%	49.4%	52.9%	61.2%	53.2%
Covered Employees Payroll	\$ 1,315,401	\$ 1,332,244	\$ 1,331,763	\$ 1,383,152	\$ 1,419,969	\$ 1,353,264	\$ 1,315,166	\$ 1,136,761
<b>Municipality's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	236.8%	225.7%	288.0%	309.3%	263.3%	267.9%	238.1%	342.2%

**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	2022
<b>Total Pension Liability</b>								
Service Cost	\$ 139,347	\$ 146,314	\$ 162,001	\$ 170,101	\$ 169,085	\$ 177,539	\$ 178,658	\$ 187,591
Interest	569,081	598,598	655,110	691,224	749,863	792,910	835,280	875,591
Changes of Benefit Terms	-	-	26,003	-	-	-	(433,212)	-
Differences Between Expected and Actual Experience	-	-	308,160	-	249,212	-	413,475	-
Changes of Assumptions	-	-	-	-	-	-	(451,300)	-
Benefit Payments, Including Refunds of Member Contributions	(296,141)	(396,714)	(380,022)	(367,550)	(385,499)	(393,133)	(451,300)	(586,666)
<b>Net Change in Total Pension Liability</b>	<b>412,287</b>	<b>348,198</b>	<b>771,252</b>	<b>493,775</b>	<b>782,661</b>	<b>577,316</b>	<b>542,901</b>	<b>476,516</b>
<b>Total Pension Liability - Beginning</b>	<b>7,122,234</b>	<b>7,534,521</b>	<b>7,882,719</b>	<b>8,653,971</b>	<b>9,147,746</b>	<b>9,930,407</b>	<b>10,507,723</b>	<b>11,050,624</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 7,534,521</b>	<b>\$ 7,882,719</b>	<b>\$ 8,653,971</b>	<b>\$ 9,147,746</b>	<b>\$ 9,930,407</b>	<b>\$ 10,507,723</b>	<b>\$ 11,050,624</b>	<b>\$ 11,527,140</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	246,484	326,947	319,237	319,540	369,124	443,134	381,391	509,908
Contributions - State Aid	109,783	122,490	128,471	131,163	143,374	137,867	124,729	134,692
Contributions - Member	99,389	90,859	101,539	100,641	100,241	95,545	113,198	95,601
Net Investment Income	(113,408)	337,502	555,652	(989,570)	881,607	717,227	952,446	(1,210,941)
Benefit Payments, Including Refunds of Member Contributions	(296,141)	(396,714)	(380,022)	(367,550)	(385,499)	(393,133)	(451,300)	(586,666)
Administrative expenses	(5,550)	(2,045)	(9,375)	(5,920)	(7,560)	(8,620)	(6,850)	(11,800)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>40,550</b>	<b>479,039</b>	<b>714,502</b>	<b>(211,696)</b>	<b>1,101,287</b>	<b>992,020</b>	<b>1,113,614</b>	<b>(1,069,206)</b>
<b>Plan Net Position - Beginning</b>	<b>4,030,459</b>	<b>4,071,009</b>	<b>4,550,048</b>	<b>5,264,550</b>	<b>5,052,854</b>	<b>6,154,141</b>	<b>7,146,161</b>	<b>8,259,775</b>
<b>Plan Net Position - Ending</b>	<b>\$ 4,071,009</b>	<b>\$ 4,550,048</b>	<b>\$ 5,264,550</b>	<b>\$ 5,052,854</b>	<b>\$ 6,154,141</b>	<b>\$ 7,146,161</b>	<b>\$ 8,259,775</b>	<b>\$ 7,190,569</b>
<b>Municipality's Net Pension Liability</b>	<b>\$ 3,463,512</b>	<b>\$ 3,332,671</b>	<b>\$ 3,389,421</b>	<b>\$ 4,094,892</b>	<b>\$ 3,776,266</b>	<b>\$ 3,361,562</b>	<b>\$ 2,790,849</b>	<b>\$ 4,336,571</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	54.0%	57.7%	60.8%	55.2%	62.0%	68.0%	74.7%	62.4%
<b>Covered Employee Payroll</b>	\$ 1,315,401	\$ 1,562,698	\$ 1,512,461	\$ 1,627,235	\$ 1,691,329	\$ 1,657,714	\$ 1,652,915	\$ 1,753,387
<b>Municipality's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	263.3%	213.3%	224.1%	251.6%	223.3%	202.8%	166.8%	247.3%

**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 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.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 267,436	\$ 275,699	\$ 348,165	\$ 401,158	\$ 401,143	\$ 402,746	\$ 553,765	\$ 603,190	\$ 557,752	\$ 539,731
Contributions in Relation to the Actuarially Determined Contribution	267,436	275,699	348,165	401,158	401,143	402,746	553,765	603,190	557,752 (1)	539,731
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,475,181	\$ 1,438,030	\$ 1,315,401	\$ 1,332,244	\$ 1,331,763	\$ 1,383,152	\$ 1,419,869	\$ 1,353,264	\$ 1,315,166	\$ 1,136,761
Contributions as a Percentage of Covered Employee Payroll	18.1%	19.2%	26.5%	30.1%	30.1%	29.1%	28.4%	27.5%	42.4%	47.5%

**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	2022
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-2.85%	7.94%	11.78%	-6.95%	16.87%	5.25%	19.03%	-13.48%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 222,302	\$ 277,155	\$ 356,287	\$ 449,437	\$ 446,709	\$ 450,703	\$ 512,488	\$ 581,001	\$ 506,120	\$ 509,508
Contributions in Relation to the Actuarially Determined Contribution	222,302	277,155	356,287	449,437	446,709	450,703	512,488	581,001	506,120	(1) 509,508
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,308,348	\$ 1,405,945	\$ 1,315,401	\$ 1,562,898	\$ 1,512,461	\$ 1,627,235	\$ 1,691,329	\$ 1,657,714	\$ 1,652,815	\$ 1,753,387
Contributions as a Percentage of Covered Employee Payroll	17.0%	19.7%	27.1%	28.8%	28.5%	27.7%	28.6%	18.1%	30.6%	29.1%

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) \$450,426 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	2022
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-2.77%	8.17%	12.00%	-7.28%	17.08%	11.40%	13.18%	-14.54%

**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, 2022.

Employees Covered by the Plan

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

	1/1/2022
Fully Eligible Active Employees	0
Other Active Employees not Fully Eligible	12
Retirees and beneficiaries currently receiving benefits	<u>8</u>
Total	20

Benefit Provisions

As of January 1, 2022 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.

Net OPEB Liability

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

	<u>12/31/2022</u>
Total OPEB Liability (TOL)	\$1,275,859
Plan Fiduciary Net Position	\$ -
Net OPEB Liability (NOL)	\$1,275,859
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, 2021. Update procedures were used to roll forward to the municipality's fiscal year ending December 31, 2022. 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 4.31% 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>3.31%</u>	<u>4.31%</u>	<u>5.31%</u>
12/31/2022 Net OPEB Liability	\$1,370,723	\$1,275,859	\$1,188,493

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
12/31/2022 Net OPEB Liability	\$1,170,705	\$1,275,859	\$1,391,873

Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over FYE 2022:

	<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 12/31/2021	\$1,404,922	-	\$1,404,922
Changes for the year:			
Service Cost	55,485	-	55,485
Interest	34,404	-	34,404
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	77,105	-	77,105
Changes in Assumptions & Cost Method	(279,101)	-	(279,101)
Contributions - Employer	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(16,956)	-	(16,956)
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	<u>(129,063)</u>	<u>-</u>	<u>(129,063)</u>
Balances at 12/31/2022	\$1,275,859	-	\$1,275,859

OPEB Expense for Fiscal Year Ended December 31, 2022.

Service Cost	\$55,485
Interest on Total OPEB Liability	34,404
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	36,665
Changes in Assumptions & Cost Method	(46,044)
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	\$80,510

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	\$81,681	\$ -
Changes in Assumptions & Cost Method	43,789	228,763
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	_____ -	_____ -
Total	\$125,470	\$228,763

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:

2023	(\$9,379)
2024	(40,370)
2025	(53,544)
2026	-
2027	-
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:

	1/1/2022
Fully Eligible Active Employees	18
Other Active Employees not Fully Eligible	0
Retirees and beneficiaries currently receiving benefits	17
Total	35

Benefit Provisions

As of January 1, 2022 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.

Net OPEB Liability

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

	<u>12/31/2022</u>
Total OPEB Liability (TOL)	\$107,260
Plan Fiduciary Net Position	\$ -
Net OPEB Liability (NOL)	\$107,260
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, 2021. Update procedures were used to roll forward to the municipality's fiscal years ending December 31, 2022. 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 4.31% 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>3.31%</u>	<u>4.31%</u>	<u>5.31%</u>
12/31/2022 Net OPEB Liability	\$122,553	\$107,260	\$94,869

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
12/31/2022 Net OPEB Liability	\$107,260	\$107,260	\$107,260

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 2022:

	<u>Increase/(Decrease)</u>		
	Total OPEB Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability <u>(a)-(b)</u>
Balances at 12/31/2021	\$132,109	-	\$132,109
Changes for the year:			
Service Cost	3,693	-	3,693
Interest	3,277	-	3,277
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	14,355	-	14,355
Changes in Assumptions & Cost Method	(37,143)	-	(37,143)
Contributions - Employer	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(9,031)		(9,031)
Administrative Expense	-	-	-
Other Changes	-	-	-
Net Changes	<u>(24,849)</u>	<u>-</u>	<u>(24,849)</u>
Balances at 12/31/2022	\$107,260	-	\$107,260

OPEB Expense for Fiscal Year Ended December 31, 2022.

Service Cost	\$3,693
Interest on Total OPEB Liability	3,277
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	4,350
Changes in Assumptions & Cost Method	(1,633)
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	\$9,687

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	\$13,751	\$ -
Changes in Assumptions & Cost Method	5,689	34,148
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Total	\$19,440	\$34,148

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:

2023	\$2,009
2024	(5,323)
2025	(3,798)
2026	(3,798)
2027	(3,798)
Thereafter	-

I. Non-Uniformed Defined Contribution Plan and Deferred Compensation Plan

The Borough has two employees in the non-uniformed defined contribution plan and one employee in the deferred compensation plan. \$8,936 was contributed to the defined contribution plan and \$15,500 was contributed to the deferred compensation plan by the Borough in 2022.

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

	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>					
Service Cost	\$ 42,351	\$ 44,469	\$ 57,685	\$ 57,212	\$ 55,485
Interest	39,910	40,556	27,321	31,693	34,404
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	76,019	-	77,105
Changes of Assumptions & Cost Method	-	-	139,570	(35,829)	(279,101)
Benefit Payments	(58,771)	(73,064)	(40,850)	(70,660)	(16,956)
<b>Net Change in Total OPEB Liability</b>	<b>23,490</b>	<b>11,961</b>	<b>259,745</b>	<b>(17,584)</b>	<b>(129,063)</b>
<b>Total OPEB Liability - Beginning</b>	<b>1,127,310</b>	<b>1,150,800</b>	<b>1,162,761</b>	<b>1,422,506</b>	<b>1,404,922</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 1,150,800</b>	<b>\$ 1,162,761</b>	<b>\$ 1,422,506</b>	<b>\$ 1,404,922</b>	<b>\$ 1,275,859</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Other	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-
Administrative expenses	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Net Position - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Municipality's Net OPEB Liability</b>	<b>\$ 1,150,800</b>	<b>\$ 1,162,761</b>	<b>\$ 1,422,506</b>	<b>\$ 1,404,922</b>	<b>\$ 1,275,859</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Covered Police Employee Payroll</b>	<b>\$ 1,731,465</b>	<b>\$ 1,818,038</b>	<b>\$ 1,710,345</b>	<b>\$ 1,795,862</b>	<b>\$ 1,695,925</b>
<b>Net OPEB as a Percentage of Police Employee Payroll</b>	<b>66.5%</b>	<b>64.0%</b>	<b>83.2%</b>	<b>78.2%</b>	<b>75.2%</b>

**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>	<u>2022</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 2,306	\$ 2,421	\$ 3,057	\$ 2,896	\$ 3,693
Interest	3,858	3,815	2,713	2,982	3,277
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	7,660	-	14,355
Changes of Assumptions & Cost Method	-	-	24,376	(6,538)	(37,143)
Benefit Payments	(7,858)	(7,145)	(7,483)	(6,792)	(9,031)
<b>Net Change in Total OPEB Liability</b>	<u>(1,694)</u>	<u>(909)</u>	<u>30,323</u>	<u>(7,452)</u>	<u>(24,849)</u>
<b>Total OPEB Liability - Beginning</b>	<u>111,841</u>	<u>110,147</u>	<u>109,238</u>	<u>139,561</u>	<u>132,109</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 110,147</u>	<u>\$ 109,238</u>	<u>\$ 139,561</u>	<u>\$ 132,109</u>	<u>\$ 107,260</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Other	-	-	-	-	-
Net Investment Income	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-
Administrative expenses	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Net Position - Beginning</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Net Position - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Municipality's Net OPEB Liability</b>	<u>\$ 110,147</u>	<u>\$ 109,238</u>	<u>\$ 139,561</u>	<u>\$ 132,109</u>	<u>\$ 107,260</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Covered Non-Uniformed Employee Payroll</b>	\$ 1,544,571	\$ 1,621,800	\$ 1,558,228	\$ 1,636,140	\$ 1,516,182
<b>Net OPEB as a Percentage of Non-Uniformed Employee Payroll</b>	7.1%	6.7%	9.0%	8.1%	7.1%

## **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, 2022

	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		1198 Cedar St
<b>ASSETS</b>												
Cash and Cash Equivalents	\$185,054		\$140,280	\$336,821		\$188,250	\$851,068	\$84,187	\$10,000	\$3,657	\$18,928	\$1,798,245
Investments at fair market value				225,297	11,698							0
Accounts receivable					6,000	18,617						236,995
Prepaid expense			8,382		7,183	11,974						24,617
Taxes receivable		8,382	\$148,662	\$562,118	\$24,881	\$198,841	\$651,068	\$84,187	\$10,000	\$3,657	\$18,928	35,921
Total assets	\$185,054	\$8,382	\$148,662	\$562,118	\$24,881	\$198,841	\$651,068	\$84,187	\$10,000	\$3,657	\$18,928	\$2,095,778
<b>LIABILITIES</b>												
Bank overdraft		113,522			3,313							116,835
Accounts payable		57,640	13,147	5,700	5,271	241	11,377	3,816		2,207		99,399
Escrow							745,501					745,501
Salaries and benefits payable					25							25
Due to General fund												0
Total liabilities	0	171,162	13,147	5,700	8,609	241	756,878	3,816	0	2,207		961,760
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unavailable revenue-property taxes		8,382	8,382	225,297	7,183	11,974						281,218
Total deferred inflows of resources		8,382	8,382	225,297	7,183	11,974						281,218
<b>Fund Balances</b>												
Restricted:												
Special Revenue Funds for specific purposes	185,054	(171,162)	127,133	331,121	9,089	186,626	94,190	80,371	10,000	3,657	16,721	872,800
Total fund balances	185,054	(171,162)	127,133	331,121	9,089	186,626	94,190	80,371	10,000	3,657	16,721	872,800
Total liabilities, deferred inflows of resources, and fund balances	\$185,054	\$8,382	\$148,662	\$562,118	\$24,881	\$198,841	\$651,068	\$84,187	\$10,000	\$3,657	\$18,928	\$2,095,778

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  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue										Total Nonmajor Governmental Funds		
	Highway Aid	Road Reconstruction	Street Lighting	Refuse	Recreation	Protection and Rescue Squad	Private	Maple Beach	Waterfront Redevelopment	Grants		1198 Cedar St	Covid-19 Grant
<b>REVENUES</b>													
Property taxes	\$238,208	\$190,222	\$340,476		\$284,082	\$383,458							\$1,208,238
Motor fuel tax		73,227		36,404		58,169			443,002	24,677	502,741		238,208
Intergovernmental				1,505,645	13,400								1,138,220
Charges for services	2,439	924			499	1,537	9,452						1,519,045
Investment earnings			8,793	570	33,277		13,491		10,000			14,879	66,131
Miscellaneous		284,373	349,269	1,542,619	331,258	453,164	22,943	0	453,002	24,677	502,741		4,184,721
<b>Total revenues</b>	<b>240,647</b>	<b>284,373</b>	<b>349,269</b>	<b>1,542,619</b>	<b>331,258</b>	<b>453,164</b>	<b>22,943</b>	<b>0</b>	<b>453,002</b>	<b>24,677</b>	<b>502,741</b>	<b>0</b>	<b>4,184,721</b>
<b>EXPENDITURES</b>													
Current:													
General Government		1,500	9,312	1,506,767	35,394	43,015	13,568	53,267		7,956			1,670,779
Highways and streets			224,781			385,269							224,761
Public safety													385,269
Culture and recreation					304,670								304,670
Capital outlay:													
General Government	11,209	304,026		27,500					443,002				27,500
Highways and streets					5,590								756,237
Culture and recreation					345,654	428,284	13,568	53,267	443,002	7,956			5,590
<b>Total expenditures</b>	<b>11,209</b>	<b>305,526</b>	<b>234,073</b>	<b>1,534,267</b>	<b>345,654</b>	<b>428,284</b>	<b>13,568</b>	<b>53,267</b>	<b>443,002</b>	<b>7,956</b>	<b>0</b>	<b>0</b>	<b>3,376,806</b>
Excess (deficiency) of revenues over (under) expenditures	229,438	(41,153)	115,196	8,352	(14,396)	24,880	9,375	(63,267)	10,000	16,721	502,741		807,915
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers out:													
General fund	(120,000)	(143,000)	(70,000)	(50,000)	(20,000)						(502,741)		(905,741)
Debt Service fund													0
Capital Improvements													0
2008 GOB Note	(105,935)												(105,935)
<b>Total other financing sources and (uses)</b>	<b>(225,935)</b>	<b>(143,000)</b>	<b>(70,000)</b>	<b>(50,000)</b>	<b>(20,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(502,741)</b>	<b>0</b>	<b>(1,011,676)</b>
Net change in fund balances	3,503	(184,153)	45,196	(41,648)	(34,396)	24,880	9,375	(53,267)	10,000	16,721	0		(203,761)
Fund balances - beginning	181,552	12,990	81,938	372,770	43,483	161,746	84,815	133,638	0	0	0		1,076,561
Fund balances - ending	\$185,055	(\$171,163)	\$127,134	\$331,122	\$9,087	\$186,626	\$94,190	\$80,371	\$10,000	\$16,721	\$0	\$0	\$872,800

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, 2022**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$235,650	\$238,208	\$2,558
Investment earnings	900	2,439	1,539
Miscellaneous revenue	0	0	0
Total revenues	<u>236,550</u>	<u>240,647</u>	<u>4,097</u>
<b>EXPENDITURES</b>			
Current:			
Highways and streets:			
Road Program	0	0	0
Miscellaneous	0	0	0
Capital outlay:			
Highway equipment	56,000	11,209	44,791
Total Expenditures	<u>56,000</u>	<u>11,209</u>	<u>44,791</u>
Excess of revenues over expenditures	<u>180,550</u>	<u>229,438</u>	<u>48,888</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(226,896)	(225,935)	961
Total other financing sources and uses	<u>(226,896)</u>	<u>(225,935)</u>	<u>961</u>
Net change in fund balances	(46,346)	3,503	49,849
Fund balances - beginning	239,648	181,552	(58,096)
Fund balances - ending	<u>\$193,302</u>	<u>\$185,055</u>	<u>(\$8,247)</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, 2022**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$336,350	\$340,476	\$4,126
Intergovernmental	0	0	0
Miscellaneous revenue	0	8,794	8,794
Total revenues	<u>336,350</u>	<u>349,270</u>	<u>12,920</u>
<b>EXPENDITURES</b>			
Current:			
Highways and streets	210,500	224,761	(14,261)
Administration	7,600	9,312	(1,712)
Total Expenditures	<u>218,100</u>	<u>234,073</u>	<u>(15,973)</u>
Excess of revenues over expenditures	<u>118,250</u>	<u>115,197</u>	<u>(3,053)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(80,000)</u>	<u>(70,000)</u>	10,000
Total other financing sources and uses	<u>(80,000)</u>	<u>(70,000)</u>	10,000
Net change in fund balances	38,250	45,197	6,947
Fund balances - beginning	75,222	81,938	6,716
Fund balances - ending	<u>\$113,472</u>	<u>\$127,135</u>	<u>\$13,663</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, 2022**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$391,500	\$393,458	\$1,958
Intergovernmental	46,840	58,169	11,329
Investment earnings	755	1,538	783
Total revenues	<u>439,095</u>	<u>453,165</u>	<u>14,070</u>
<b>EXPENDITURES</b>			
Current:			
Administration	2,550	5,219	(2,669)
Public safety	398,940	385,269	13,671
Miscellaneous	40,800	37,796	3,004
Total Expenditures	<u>442,290</u>	<u>428,284</u>	<u>14,006</u>
Excess of revenues over expenditures	<u>(3,195)</u>	<u>24,881</u>	<u>28,076</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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	(3,195)	24,881	28,076
Fund balances - beginning	154,982	161,746	6,764
Fund balances - ending	<u>\$151,787</u>	<u>\$186,627</u>	<u>\$34,840</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, 2022**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$1,428,000	\$1,505,645	\$77,645
Intergovernmental	40,563	36,404	(4,159)
Miscellaneous revenue	500	570	70
Total revenues	<u>1,469,063</u>	<u>1,542,619</u>	<u>73,556</u>
<b>EXPENDITURES</b>			
Current:			
Sanitation	1,468,884	1,474,650	(5,766)
Administration	7,500	7,500	0
Miscellaneous	15,000	52,117	(37,117)
Total Expenditures	<u>1,491,384</u>	<u>1,534,267</u>	<u>(42,883)</u>
Excess of revenues over expenditures	<u>(22,321)</u>	<u>8,352</u>	<u>30,673</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(60,000)	(50,000)	10,000
Total other financing sources and uses	<u>(60,000)</u>	<u>(50,000)</u>	<u>10,000</u>
Net change in fund balances	(82,321)	(41,648)	40,673
Fund balances - beginning	236,247	372,770	136,523
Restricted for future use	0	0	0
Fund balances - ending	<u>\$153,926</u>	<u>\$331,122</u>	<u>\$177,196</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, 2022

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>			
Property taxes	\$283,500	\$284,083	\$583
Investment earnings	300	499	199
Miscellaneous revenue	37,000	46,677	9,677
Total revenues	<u>320,800</u>	<u>331,259</u>	<u>10,459</u>
<b>EXPENDITURES</b>			
Current:			
Program expense	11,950	10,000	1,950
Maintenance	211,000	255,745	(44,745)
Miscellaneous	67,500	79,909	(12,409)
Capital outlay:			
Parks			0
Total Expenditures	<u>290,450</u>	<u>345,654</u>	<u>(55,204)</u>
Excess of revenues over expenditures	<u>30,350</u>	<u>(14,395)</u>	<u>(44,745)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(20,000)	(20,000)	0
Total other financing sources and uses	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Net change in fund balances	10,350	(34,395)	(44,745)
Fund balances-beginning	(4,028)	43,483	47,511
Fund balances-ending	<u>\$6,322</u>	<u>\$9,088</u>	<u>\$2,766</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, 2022**

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>			
Property taxes	\$191,000	\$190,222	(\$778)
Special assessments	0		0
Investment earnings	400	924	524
Miscellaneous revenue	0	73,227	73,227
Total revenues	<u>191,400</u>	<u>264,373</u>	<u>(254)</u>
<b>EXPENDITURES</b>			
Administration	1,500	1,500	0
Miscellaneous	0	0	0
Capital outlay:			
Highways and streets	25,000	304,026	(279,026)
Total expenditures	<u>26,500</u>	<u>305,526</u>	<u>(279,026)</u>
Excess of revenues over expenditures	<u>164,900</u>	<u>(41,153)</u>	<u>(279,280)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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	21,900	(184,153)	(279,280)
Fund balances - beginning	62,237	12,990	(49,247)
Fund balances - ending	<u>\$84,137</u>	<u>(\$171,163)</u>	<u>(\$328,527)</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, 2022**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$99,500	89,960	(\$9,540)
Investment earnings	350	1,460	1,110
Miscellaneous revenue	0	0	0
Total revenues	<u>99,850</u>	<u>91,420</u>	<u>(8,430)</u>
<b>EXPENDITURES</b>			
Debt service:			
Administration	8,000	8,000	0
Principal	93,000	667,000	(574,000)
Interest	4,952	3,247	1,705
Total Expenditures	<u>105,952</u>	<u>678,247</u>	<u>(572,295)</u>
Excess of revenues over expenditures	<u>(6,102)</u>	<u>(586,827)</u>	<u>(580,725)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	0	0	0
Transfers in	41,500	574,204	532,704
Transfers out	(15,000)	(15,000)	0
Total other financing sources and uses	<u>26,500</u>	<u>559,204</u>	<u>532,704</u>
Net change in fund balances	20,398	(27,623)	(48,021)
Fund balances - beginning	149,770	154,429	4,659
Fund balances - ending	<u>\$170,168</u>	<u>\$126,806</u>	<u>(\$43,362)</u>

**Borough of Bristol  
Investment Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year ended December 31, 2022**

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
<b>REVENUES</b>			
Investment earnings	\$336,407	335,608	(\$799)
Net increase in fair value of investments	0	0	0
Total revenues	<u>336,407</u>	<u>335,608</u>	<u>(799)</u>
<b>EXPENDITURES</b>			
Current:			
Net decrease in fair market of investments	0	1,243,783	(1,243,783)
Custodial fees	5,500	6,736	(1,236)
Total Expenditures	<u>5,500</u>	<u>1,250,519</u>	<u>(1,245,019)</u>
Excess of revenues over expenditures	<u>330,907</u>	<u>(914,911)</u>	<u>(1,245,818)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(336,407)	(347,714)	(11,307)
Total other financing sources and uses	<u>(336,407)</u>	<u>(347,714)</u>	<u>(11,307)</u>
Net change in fund balances	(5,500)	(1,262,625)	(1,257,125)
Fund balances - beginning	24,371,051	23,789,388	(581,663)
Fund balances - ending	<u>\$24,365,551</u>	<u>\$22,526,763</u>	<u>(\$1,838,788)</u>