

City of Bristol Connecticut



West Bristol School

Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2012

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF BRISTOL
CONNECTICUT**

**FISCAL YEAR
JULY 1, 2011 - JUNE 30, 2012**

Glenn S. Klocko, Comptroller

Prepared by Comptroller's Office

CITY OF BRISTOL, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

CITY OF BRISTOL, CONNECTICUT

For Fiscal Year Ended June 30, 2012

PRINCIPAL OFFICIALS

CITY COUNCIL

Arthur J. Ward, Mayor
Eric Carlson, Councilmember
Kenneth Cockayne, Councilmember
Derek Czenczelewski, Councilmember
Kevin Fuller, Councilmember
Henri Martin, Councilmember
David Mills, Councilmember

BOARD OF FINANCE

Arthur J. Ward, Mayor
Richard Miecznikowski, Chairperson
Jake Carrier, Commissioner
Lisa Casey, Commissioner
Greg Fradette, Commissioner
John Smith, Vice Chairman
Cheryl Thibeault, Commissioner
Paul Tonon, Commissioner
Robert Wojtek, Commissioner

ADMINISTRATION

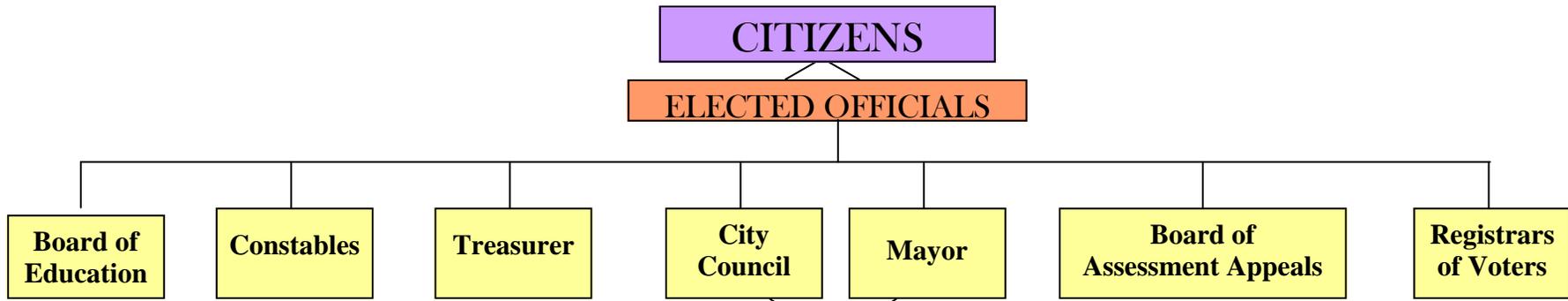
Registrar of Voters – Democrat
Registrar of Voters – Republican
Assessor
Tax Collector
Purchasing Agent
Comptroller
Assistant Comptroller
Treasurer
Personnel Director
Corporation Counsel
Town and City Clerk
Commission on Aging, Director
Director of Youth & Community Services
City Planner
Planning Secretary and City Engineer
Zoning Enforcement Officer
Police Chief
Fire Chief
Civil Preparedness Director
Building and Zoning Official
Director of Public Works
Bristol/Burlington Health District
Library Director
Superintendent of Parks and Recreation
Bristol Development Authority Director
Bristol Water Department Superintendent
Superintendent of Schools
Deputy Superintendent of Schools

Mary Rydingsward
Sharon Krawiecki
Thomas DeNoto
Teresa Babon
Roger D. Rousseau
Glenn S. Klocko
Robin L. Manuele
Thomas Barnes, Jr.
Diane Ferguson
Edward C. Krawiecki, Jr.
Therese Pac
Margaret Sokol
Eileen McNulty
Alan L. Weiner
Paul A. Strawderman
Anthony DeCrisantis
Vacant
Jon Pose
Richard B. Ladisky
Guy R. Morin
Walter E. Veselka, III
Vacant
Francine Petosa
Edward J. Swicklas
Jonathan Rosenthal
Robert Longo
Ellen Solek, Ph.D.
Susan Kalt Moreau, Ph.D.

BOARD OF EDUCATION

Christopher Wilson, Chairman
Karen Vibert, Vice Chairperson
Larry Amara
Karen Bourassa
Genard Dolan

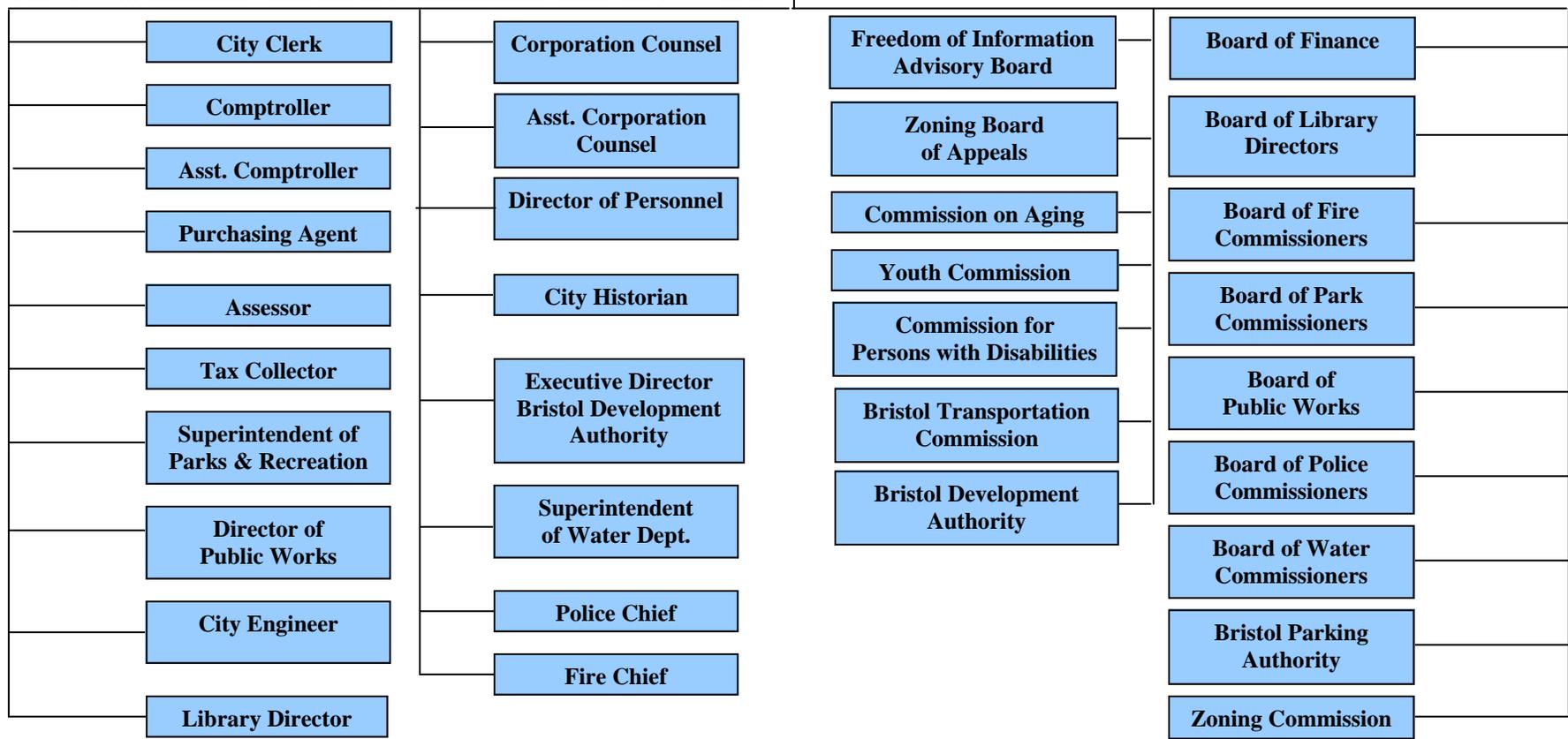
Jill Fitzgerald
Karen Hintz
Jeffrey Morgan
Thomas O'Brien

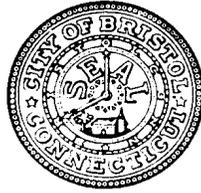


Nominated by Mayor
Appointed by City Council

Hired or appointed in accordance with City of Bristol Charter or Ordinance Board/Commission members nominated by Mayor—confirmed by Council

ii:





City of Bristol

BRISTOL, CONNECTICUT 06010

December 22, 2012

To the Honorable Mayor, Members of the City Council, Members of the Board of Finance and Citizens of the City of Bristol:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Blum, Shapiro & Company, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Bristol's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Bristol, incorporated in 1911, is located in the west central part of the state, once considered the clock making, ball bearing, and lock manufacturing capital of the United States. The City remains proud of its industrial heritage. The City seal continues to maintain this history by depicting the hands of a Clock. The city occupies 26 square miles and serves a population of approximately 60,000. The City of Bristol is empowered to levy a property tax on both real and personal property and also on motor vehicles.

The City has operated under the mayor-council form of government since inception. Policy making and legislative authority is vested in the governing council (Council) consisting of the mayor and six other members, all elected on a non-partisan basis. Council members serve two-year terms. The mayor is elected for a two-year term. The mayor is elected at large and council members are elected by district.

The City of Bristol provides a full range of services, including schools, police and fire protection; the construction and maintenance of highways, streets and other infrastructure; recreational activities and cultural events; and sanitation services. Certain health services are provided through a legally separate Bristol Burlington Health District and water services are provided through a legally separate Bristol Water Department which functions, in essence, as departments of the City of Bristol and therefore have been included as an integral part of the City of Bristol's financial statements. Additional information on all these legally separate entities can be found in the notes to the financial statements (See Note 1A).

**CITY
OF
BRISTOL**

The Joint Board of the Board of Finance and City Council are required to adopt a final budget by no later than the third Monday in May. This budget serves as the foundation for the City of Bristol's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The Board of Finance has the power to approve budget revisions during the year up to \$5,000. Revisions in excess of \$5,000 require Joint Board approval.

NATIONAL, STATE & LOCAL ECONOMY

There is little argument that the recovery has been disappointing. The U.S. economy remains dominated by consumer spending with a 70% share. Ultimately, a return to steadier growth will be determined by consumer behavior. An upturn in the housing market is probably critical in ensuring the sustainability of growth, given that the health of the sector is so intertwined with that of the broader financial system and consumer balance sheet. Despite this outlook, the City has varied manufacturing and industrial sectors that adds to the relative stability of the local economy. Major industries with headquarters or divisions located within the government's boundaries include ESPN, the nation's first and largest all-sports television network. The ESPN worldwide headquarters remains our largest taxpayer, accounting for 6.46% of total property assessed valuation. ESPN's growth in Bristol was assured by their recent acquisition of 20 adjoining acres. Their newest digital center, currently under construction, comprises over 193,000 square feet of office space and four technologically advanced production studios. The city continues to be a leader in manufacturing, producing a wide variety of precision-crafted goods such as tin ware, bells, coaster brakes, hard wares, clocks, screw machine products, electronic items, timing devices, and robotic-based automation systems. Specialty manufacturers produce for a diverse array of industries, including medical devices, surgical equipment, aerospace, automobile items.

UNEMPLOYMENT. Unemployment rates and the number of unemployed people, not seasonally adjusted, were up over the year in all of the states nine labor market areas. Connecticut's 9.0% unemployment rate is lower than the national rate of 7.9%, and is predicted to remain stable. Locally,

Bristol's 8.7% average unemployment rate is somewhat higher than national and regional averages.

As a result of a state enterprise zone established in downtown Bristol to promote additional development, renewed investment, and job opportunities, unemployment is expected to continue to lag behind the state average. Bristol's Technology Park employ's over 1,600 employees in 23 businesses.

The Southeast Bristol Business Park of approximately 51 acres has been acquired by the city on a site off a major route to and from the city (route 229). The infrastructure was jointly funded project of the state and the city. The project is critical to Bristol's continued growth. The acreage will accommodate approximately 750,000 square feet of new industrial space. The Park construction is complete and open for occupancy. It already has two tenants. There is active talking with one interested buyer.

LONG-TERM FINANCIAL PLANNING

Downtown Bristol is an important focus for economic development. The City acquired a downtown 1970's vintage mall property. A redevelopment company, Renaissance Downtowns, has been contracted to reconfigure the 17 acre downtown mall site which should help broaden Bristol's economic base and improve its labor market conditions once the economy improves from its current recessionary track. Pending financing, the developer is hoping to break ground in the spring of 2013.

RELEVANT FINANCIAL POLICIES

The city has formally adopted key financial policies. Several years ago, a use of fund balance policy was established by the Board of Finance to (1) reduce the general fund's reliance on surplus to balance the budget, and (2) to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time emergency expenditures. The fund balance policy goal is to maintain general fund unreserved undesignated fund balance at 10% of budgeted operating revenues.

**CITY
OF
BRISTOL**

The city also adopted a debt policy to establish parameters and guidance for the Board to make decisions on capital spending and issuance of debt as a means to fund them.

In addition, several general financial policies guide the city in areas such as justification for new hires, travel reimbursement guidelines, sinking fund purchases for capital items, and addressing technology issues through a computer and related equipment lease replacement program. Fiscal policies are reviewed annually. There is a new Investment Policy adopted by the Board of Finance.

These and other key financial policies may be found in the city's budget document behind the tab labeled 'Policy Initiatives'.

MAJOR INITIATIVES

Education entails the largest portion of the City's budget. They requested a 5.87% increase which equals \$5,875,505. The Board of Finance recommends a 2.56% increase as required by the State.

Strategies used in balancing the 2012-2013 budget:

- Department Heads were asked to submit a budget between zero and two percent
- Cost savings by reorganization through attrition
- Minimal bonding of the Ten Year Capital Improvement Plan
- Only granting capital requests if absolutely necessary
- Continue to develop and implement fiscal policies to keep the City's bond rating strong
- Develop a plan to prioritize Capital spending in a way that spread these costs over time to minimize the tax impact
- Regionalization with other towns in the area where there can be cost savings
- Consolidate management to increase efficiency and reduce operational costs in departments

Percentages

- Requests totaled \$183.2 million from the City side and Board of Education. This is a \$12.0 million increase over the current budget.
- The Board of Education request totaled \$5,875,505 or 5.87%, however an increase of \$2.5 million or 2.56% is being approved, as required by the MBR
- General Government requests totaled \$6.1 million or 8.68%, however the budget approves an increase of \$3.1 million or 4.47%
- The largest City Department increase of \$543 thousand was from Public Works, with \$480,000 coming from adopted policies by the Board of Finance within Streets, Snowplowing and Capital Fleet purchases
- Most other small departments came in with a 0-2% increase
- The mill rate increase 1.51 mills.

AWARDS AND ACKNOWLEDGEMENTS

Comprehensive Annual Financial Report (CAFR):

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the twenty sixth consecutive year, which the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**CITY
OF
BRISTOL**

Popular Annual Financial Report (PAFR):

Also, the Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Bristol for its Popular Annual Financial Report for the fiscal year ended June 30, 2011. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This is the twelfth year in a row the City of Bristol has received the Popular Annual Financial Reporting Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Distinguished Budget Presentation Awards Program:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City of Bristol the GFOA's Distinguished Budget Presentation Award for its budget. The award represents a significant achievement by the City of Bristol. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. This is the eleventh consecutive time the City has received this award.

We commend our independent auditors, Blum, Shapiro & Company, Certified Public Accountants, specifically Audit manager Nikoleta McTigue for her expertise and patience in progressively guiding the City's staff through the required annual reporting updates and modifications.

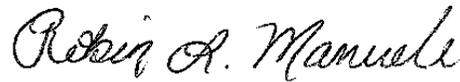
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Comptroller's Office, in particular, Chief Accountant David J. Bertnagel, and Assistant to the Comptroller, Jodi McGrane. We wish

to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the governing council and Board of Finance for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bristol's finances.

Respectfully submitted,



Glenn S. Klocko
Comptroller



Robin L. Manuele
Assistant Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bristol Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Members of the Board of Finance
City of Bristol, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the City of Bristol, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bristol, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Bristol, Connecticut's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2012 on our consideration of the City of Bristol, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the budgetary comparison information on pages 56 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bristol, Connecticut's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are 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 directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

December 22, 2012

CITY OF BRISTOL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

This discussion and analysis of the City of Bristol, Connecticut's ("City") financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2012. Please read this MD&A in conjunction with the transmittal letter beginning on page 1 and the City's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased by \$32 million as a result of this year's operations. While net assets of our business-type decreased by \$239 thousand, or .9 percent, net assets of our governmental activities increased by \$32 million, or 13%. Increases were primarily due to the aggregate acquisition of any new assets during the fiscal year and revenues exceeding actual expenses during the year.
- During the year, the City had expenses that were \$32 million less than the \$230.3 million generated in tax and other revenues for governmental programs and business activities. Revenues exceeding expenses were clearly a result of receiving capital grants for construction of education facilities and increased property tax collections.
- In the City's business-type activities, revenues decreased \$748 thousand or 10.3% while expenses increased by 3.8%. There was a decrease in investment earnings over prior year results.
- Total cost of all of the City's programs was \$230.3 million with no new programs added this year. This represents a \$16.1 million increase compared to fiscal year 2011. The increase represents, in part, increased budgetary appropriations for city-wide operations including education operations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$24 million, or 15.4% of general fund expenditures and transfers out.
- The tax collection rate was 98.74% of the current levy, which includes current interest and liens and exceeding last year's rate of 98.63%.
- The City of Bristol's total bonded indebtedness including its Enterprise fund bonds decreased by \$6 million to \$88.5 million or 6.4% before payments during the current fiscal year. The decrease is the annual debt service payment. The City also "rolled over" (reissued) \$7.41 million in taxable general obligation bond anticipation notes originally issued in 2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented in Exhibit III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the City as a whole begins on Exhibit I and II. The statement of net assets and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. The City's net assets, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

In the statement of net assets and the statement of activities, we divide the City into three types of activities:

- *Governmental activities* – Most of the City's basic services are reported here, including education, public safety, public works, health and welfare, libraries, parks and recreation, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business - type activities* – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Water Department operations are reported here.
- *Component units* – The City includes one separate legal entity in its report; the Bristol-Burlington Health District. Although legally separate, this "component unit" is important because the City is financially accountable for it.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by Charter. However, the City Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Projects Fund and Debt Service Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the State Department of Education and the Federal Department of Housing and Public Administration. The City's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental funds (Exhibit III and IV)* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibit V and VII)* – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact the City's enterprise fund (a component of proprietary funds) is the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities – such as the City's Health Benefit and Workers' Compensation Internal Service Fund.

- *Fiduciary funds (Exhibit VIII and IX)* – The City is the trustee, or fiduciary, for its employees’ pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City’s fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City’s combined net assets increased from a year ago from \$267.3 million to \$299.4 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City’s governmental and business-type activities.

Table 1
Net Assets
(in thousands)

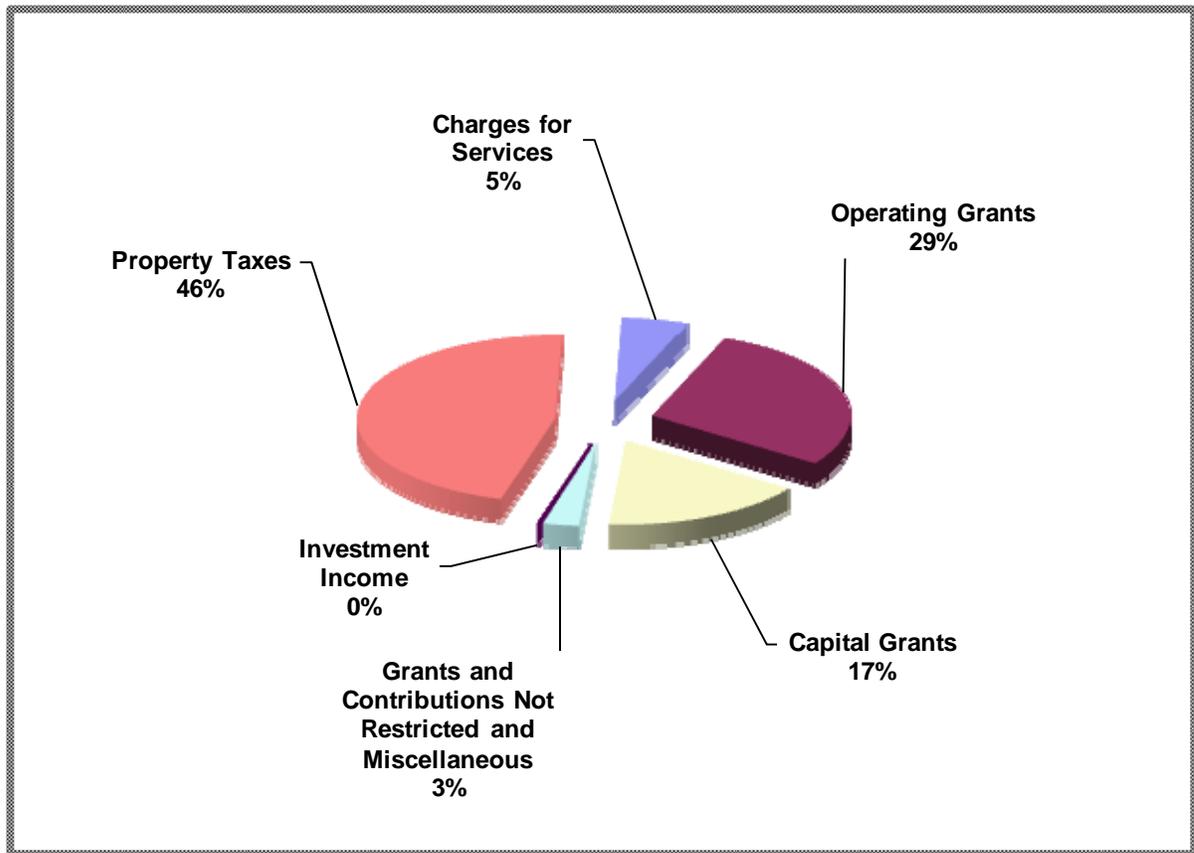
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current assets	\$ 114,688	\$ 122,953	\$ 6,494	\$ 6,929	\$ 121,182	\$ 129,882
Capital assets, net of accumulated depreciation	319,949	277,513	24,694	24,969	344,643	302,482
Total assets	<u>434,637</u>	<u>400,466</u>	<u>31,188</u>	<u>31,898</u>	<u>465,825</u>	<u>432,364</u>
Long-term liabilities						
outstanding	128,647	127,863	5,145	5,681	133,792	133,544
Other liabilities	31,382	30,293	1,262	1,197	32,644	31,490
Total liabilities	<u>160,029</u>	<u>158,156</u>	<u>6,407</u>	<u>6,878</u>	<u>166,436</u>	<u>165,034</u>
Net Assets:						
Invested in capital assets, net of related debt	226,701	179,772	19,971	19,706	246,672	199,478
Restricted	930	752			930	752
Unrestricted	<u>46,977</u>	<u>61,786</u>	<u>4,810</u>	<u>5,314</u>	<u>51,787</u>	<u>67,100</u>
Total Net Assets	<u>\$ 274,608</u>	<u>\$ 242,310</u>	<u>\$ 24,781</u>	<u>\$ 25,020</u>	<u>\$ 299,389</u>	<u>\$ 267,330</u>

Net assets of the City’s governmental activities increased by 13.3% or \$32.3 million compared to a prior \$242.3 million. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements is \$47 million at the end of this year. The net assets of business-type activities decreased by \$239 thousand in 2012 compared to 2011.

Table 2
Changes in Net Assets
(in thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,920	\$ 13,782	\$ 6,838	\$ 6,327	\$ 20,758	\$ 20,109
Operating grants and contributions	73,300	69,468			73,300	69,468
Capital grants and contributions	42,600	10,704	27	8	42,627	10,712
General revenues:						
Property taxes	117,982	117,274			117,982	117,274
Grants and contributions not restricted to specific programs	7,504	4,354			7,504	4,354
Unrestricted investment earnings	354	302	(329)	949	25	1,251
Other general revenues	150	2			150	2
Total revenues	<u>255,810</u>	<u>215,886</u>	<u>6,536</u>	<u>7,284</u>	<u>262,346</u>	<u>223,170</u>
Program expenses:						
General government	12,567	12,549			12,567	12,549
Public safety	30,704	31,719			30,704	31,719
Public works	31,689	25,183			31,689	25,183
Health and welfare	6,003	6,327			6,003	6,327
Libraries	3,121	2,739			3,121	2,739
Parks and recreation	3,926	3,201			3,926	3,201
Education	133,432	123,128			133,432	123,128
Interest on long-term debt	2,070	2,830			2,070	2,830
Water			6,775	6,529	6,775	6,529
Total program expenses	<u>223,512</u>	<u>207,676</u>	<u>6,775</u>	<u>6,529</u>	<u>230,287</u>	<u>214,205</u>
Increase (Decrease) in Net Assets	<u>\$ 32,298</u>	<u>\$ 8,210</u>	<u>\$ (239)</u>	<u>\$ 755</u>	<u>\$ 32,059</u>	<u>\$ 8,965</u>

The City's total revenues were \$262.3 million. The total cost of all programs and services was \$230.3 million. Our pie chart analysis below considers the operations of governmental and business-type activities.



Governmental Activities

Governmental Activities increased the City of Bristol's net assets by \$32.3 million. The prior year increase in net assets was \$8.2 million. Key elements of this increase with off setting decreases are as follows:

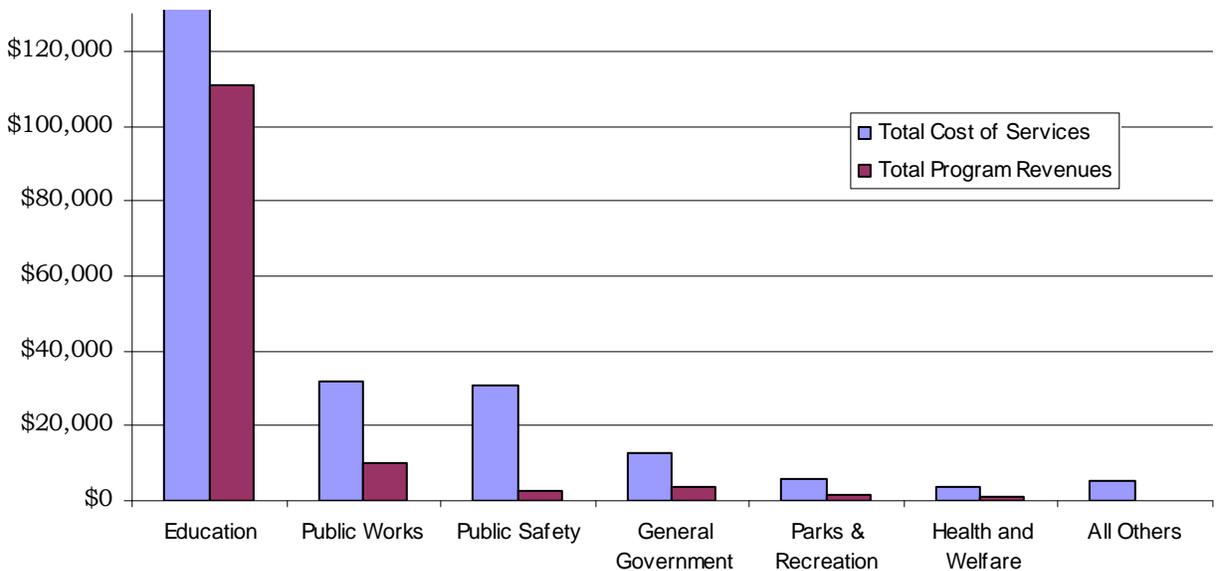
- Property tax collections increased by \$708 thousand during the year. Most of this increase is the product of increased tax revenue estimates to balance increased budgeted appropriations.
- Operating grants and contributions for governmental activities increased by \$3.8 million, mostly as a result of a FEMA disaster grant.
- Charges for services increased \$138 thousand. This is a result of a combination of several revenue sources, such as recycling permits, school tuition and rentals.
- Investment earnings increased \$52 thousand. A reflection of an aggressive investment strategy on idle funds.
- General government activities expenses increased \$15.8 million as a result of two disaster related storms and increased educational funding imposed by a new minimum budget funding statute and construction of two new schools.
- For the most part, any increases in departmental expenses closely paralleled inflationary costs for utilities, operational contractual obligations and double digit increased costs for health benefits.
- The State of Connecticut Teacher Retirement System is funded by the State. The funding levels have remained relatively flat. This year the on-behalf state teacher's contribution was \$11.12 million, last year the amount was \$8.52 million.

Table 3 presents the cost of each of the City’s six largest programs – education, public works, public safety, general government, parks and recreation, and health and welfare – as well as each program’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City’s taxpayers by each of these functions.

Table 3
Governmental Activities
(in thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Education	\$ 133,432	\$ 123,128	\$ 22,485	\$ 47,008
Public works	31,689	25,183	21,771	16,623
Public safety	30,704	31,719	28,087	29,104
General government	12,567	12,549	9,056	8,769
Health and welfare	6,003	6,327	4,465	4,679
Parks and recreation	3,926	3,201	2,748	2,105
All others	5,191	5,569	5,080	5,434
Total	\$ 223,512	\$ 207,676	\$ 93,692	\$ 113,722

Expenses and Program Revenues- Governmental Activities (in millions)



Business-type Activities

Revenues of the City's business-type activities (see Table 2) were \$6.5 million in 2012 compared to \$7.3 million in 2011 and expenses increased by 3.8%. The factors influencing these results included:

- Revenues: Losses on investments.
- Expenses: Increases to expenses were due to increased costs for water treatment plant chemicals which are typically used in large quantities for the operations of the plant and capital equipment replacements.
-

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$56.9 million.

Approximately 32% of this total amount (\$18.4 million) constitutes *unassigned fund balance*, which is in excess of nonspendable, restricted, committed and assigned fund balance. The remainder of fund balance is *constrained to specific purposes* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of a prior period 2) to pay debt service 3) to generate income to pay for the perpetual care and maintenance of storm water control problem areas and City cemeteries, or 4) for a variety of other restricted specific purposes.

The General Fund is the chief operating fund of the City of Bristol. At the end of the current fiscal year, *unassigned fund balance* of the general fund was \$24 million, while total fund balance reached \$29.4 million. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total fund expenditures. *Unassigned fund balance* represents 15.4% of total general fund expenditures, while total fund balance represents 18.6% of that same amount, and exactly the same percentage as the year before.

The Debt Service Fund has a total fund balance of \$1.6 million, all of which is restricted for the payment of debt service. Funding for debt service is represented by a transfer out of the General Fund to the Debt Service Fund.

Proprietary Funds

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

Unrestricted net assets of the Water Department and Health Benefits and Workers' Compensation funds at the end of the year amounted to \$9.5 million, of that amount; the Health Benefits and Workers' Compensation fund has accumulated \$4.7 million of net assets, which is equal to the funds unrestricted net assets. This fund is self funded and has experienced increasingly year-to-year medical claims. To demonstrate this increasing expense trend, current year expenses were \$34.2 million compared to 2011 expenses of \$28.9 million and \$28.8 million in 2010.

Other factors concerning the finances of the Water Department have already been addressed in the discussion the City of Bristol's business-type activities.

General Fund Budgetary Highlights

Variations between original budget and the amended budget (RSI-1 and 2) can be briefly summarized as follows:

Estimated Revenues:

- Current Property Tax Collections are estimated at 98%. Actual current collections were 100.66% of the budgeted amount.
- State grants are budgeted with available known estimates from the State. Some state grants exceeded expectations due to the reimbursement nature of the grants (excess student cost base), while others are formula driven, such as the PILOT- for manufacturing and equipment grant. A FEMA grant was received in the amount of \$2.7 million for storm disaster reimbursement.
- Building permit collections were \$790 thousand over original budgeted estimates. This revenue source increase was due to new school construction permits within the City and permits issued to ESPN for a new digital programming facility.
- State and Federal grant estimates and resulting variances for our larger state provided grants, such as the Educational Cost Sharing and Public (child) transportation grants, are subject to political debate and approval at the state level and are not of local control.
- Interest income on idle general fund monies exceeded budgeted amounts by \$69 thousand. This is due to a more active investment strategy in light of recessionary investment rates.
- Excess Student Cost Base Grant, like many education grants are difficult to estimate and are usually based on data from a prior year which may not reflect current year data.

Appropriations:

- Many departments will have adjustments to their original appropriations. There are two major reasons: first, the departments cannot over expend their line items, and second, all year end over expenditures are covered by either transfers within the department line items or transfers from other departments with excessive funds at year end.

Large transfer amounts usually signify unusual circumstances. For instance:

- Corporation Counsel required an additional appropriation to hire outside counsel expertise to defend the City in specific legal matters.
- The School Readiness grant is not budgeted until the grant amount is known, which is usually after budget adoption.
- Public Safety adjustments were caused between Fire and Police Departments by the associated personnel savings in one department (Fire) and costs of overtime for unplanned local emergencies and contractual replacement for sick or injured personnel in the Police divisions.
- A \$20.9 million transfer to Other Funds refers to the collection of health benefits budgeted within the City side of the General Fund is combined with \$13 million from the education side of the General Fund budget, which reflects a similar amount transferred in to Other Financing Services- Internal Service (health benefits) fund. The total transfer-in from all sources for health benefits is \$33.9 million.
- A multi-million budget adjustment in Public Works was directly attributable to storm disaster related costs. FEMA reimbursed 75% of City costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the City had \$344.6 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines – Table 4. This amount represents a net increase (including additions and deductions) of \$42.2 million, or 14%, over last year.

Table 4
Capital assets at Year-end (Net of Depreciation)
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 18.2	\$ 18.2	\$ 2.7	\$ 2.7	\$ 20.9	\$ 20.9
Construction in progress	70.3	28.1			70.3	28.1
Buildings	108.0	112.3	19.9	20.6	127.9	132.9
Improvement other than buildings	8.9	1.9			8.9	1.9
Machinery and equipment	16.5	15.8	2.0	1.6	18.5	17.4
Infrastructure	98.1	101.2			98.1	101.2
Total	\$ 320.0	\$ 277.5	\$ 24.6	\$ 24.9	\$ 344.6	\$ 302.4

The following are the more significant aspects of the changes in capital assets:

Improvements other than buildings

- Increase is for Rockwell Park facility improvement provided through debt service.

Construction Work in Progress

- Increase represents near completion construction of two new K-8 schools.

Fiscal Year 2012	
Capital Budget	
Department	
Public Works	\$4,930,700
Parks & Recreation	990,000
Water Pollution Control	170,000
Total All Departments	\$6,090,700
Funding	
Sale of Bonds	\$5,190,700
General Fund Cash	320,000
LoCIP	410,000
WPC CNR Cash	170,000
Total All Funding	\$6,090,700

The City’s fiscal year 2011-2012 capital budget called for it to spend \$6.09 million for capital projects. Some of the main highlights of these projects include:

- Improve various roads- cul-de-sacs, right of ways, storm drains and related pavement outlay
- Road reconstruction projects
- Pequabuck River Stabilization- Rockwell Park
- Continuation of public park revitalization efforts
- Water Pollution Control Redstone Hill Road Sanitary Sewer Replacement

More detailed information about the City’s capital assets is presented in Note 5 to the financial statements.

Long-term debt

At June 30, 2012 the City had \$88.4 million in total bonded indebtedness versus \$94.4 million last year – a decrease of 6.4% – as shown in Table 5. The decrease is due the annual payments for debt service.

Table 5
Outstanding Debt, at Year-end
(in millions)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General Obligation Bonds (Backed by the City)	\$ 83.8	\$ 89.2	\$ 4.6	\$ 5.2	\$ 88.4	\$ 94.4

The City also “rolled over” for a third time (reissued) \$7.41 million in taxable general obligation notes originally issued in 2008.

The City also paid \$6 million on previously issued debt service obligations.

The City’s general obligation bond ratings are Aa2 and AA+ respectfully from Moody’s Investors Service and Standard and Poor’s Corporation. The Standard and Poor’s Corporation (S&P) rating represents an upgrade from AA to AA+ received in February, 2009. Prior to this upgrade, the City received upgrades from Moody’s and S&P in August 2000. A Fitch rating was first established for the City in June 2006. The Fitch rating is AA+.

The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The City’s outstanding general obligation debt is significantly below this \$822.67 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City’s long-term liabilities is presented in Note 9 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City’s elected and appointed officials considered many factors when setting the fiscal-year 2011 budget tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 8.7% versus 8.2% a year ago. This compares with the State’s unemployment rate of 9.0% (seasonally adjusted) and the national rate of 7.9%. (Source: CT Department of Labor October 2012)

Bristol's wealth and income factors and unemployment trends are for the most part consistent within the Hartford region. Bristol's median household effective buying income is 87% of the state's average and 104% of the nation's average.

These indicators were taken into account when adopting the General Fund budget for 2012-13. Amounts appropriated in the 2012-2013 General Fund budget are \$176.8 million, an increase of \$5.7 million over the previous year's budget of approximately \$171.5 million. The property tax rate increased by 1.51 mills, to 28.75.

The City will use these increases in tax revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures equal budgeted revenues in order to keep structural balance.

If these estimates are realized, the City's budgetary General Fund balance is expected to slightly increase at June 30, 2013. Building Permits, Conveyance Tax fees, interest income and delinquent tax collections continue to lag behind any signs of economic improvement. Those revenue estimates will be kept at lower levels to reflect current economic conditions. In addition, the Mayor instituted a hiring freeze, restricted overtime usage and limited expenditures for conferences, dues and travel to help off set revenue deficiencies.

The City of Bristol has appropriated \$625 thousand of its \$29.4 million total fund balance to balance its 2012-2013 operating budget. This represents a decrease of \$125 thousand from the previous year. The eventual goal, gradually attained, is zero.

As for the City's business-type activities we expect marginal growth (0.50%) to net assets based on sales over the past three fiscal years. Expense increases will be primarily due to salaries and benefits other expenses will remain flat. Also, expenses will increase for continued watershed expansion purchases and other infrastructure and equipment improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Comptrollers Office, City of Bristol, 111 North Main Street, Bristol, Connecticut, 06010.

Basic Financial Statements

CITY OF BRISTOL, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2012

(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bristol- Burlington Health District
Assets:				
Cash and cash equivalents	\$ 96,021	\$ 1,250	\$ 97,271	\$ 1,002
Investments	603	3,659	4,262	4
Receivables, net	10,504	1,256	11,760	
Due from fiduciary funds	892		892	
Inventory	43	251	294	
Other assets	6,625	78	6,703	
Capital assets:				
Assets not being depreciated	88,455	2,754	91,209	
Assets being depreciated, net	231,494	21,940	253,434	77
Total assets	<u>434,637</u>	<u>31,188</u>	<u>465,825</u>	<u>1,083</u>
Liabilities:				
Accounts and other payables	13,108	449	13,557	143
Accrued liabilities	10,050	61	10,111	15
Bond anticipation notes payable	7,410		7,410	
Other current liabilities		731	731	
Unearned revenue	814	21	835	
Noncurrent liabilities:				
Due within one year	13,997	667	14,664	39
Due in more than one year	114,650	4,478	119,128	60
Total liabilities	<u>160,029</u>	<u>6,407</u>	<u>166,436</u>	<u>257</u>
Net Assets:				
Invested in capital assets net of related debt	226,701	19,971	246,672	77
Restricted for:				
Trust purposes:				
Expendable	283		283	
Nonexpendable	647		647	
Unrestricted	<u>46,977</u>	<u>4,810</u>	<u>51,787</u>	<u>749</u>
Total Net Assets	<u>\$ 274,608</u>	<u>\$ 24,781</u>	<u>\$ 299,389</u>	<u>\$ 826</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Bristol-Burlington Health District
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 12,567	\$ 2,114	\$ 1,018	\$ 379	\$ (9,056)	\$	\$ (9,056)	\$
Public safety	30,704	2,225	392		(28,087)		(28,087)	
Public works	31,689	7,263	1,105	1,550	(21,771)		(21,771)	
Health and welfare	6,003	5	1,533		(4,465)		(4,465)	
Libraries	3,121	39	72		(3,010)		(3,010)	
Parks and recreation	3,926	424	543	211	(2,748)		(2,748)	
Education	133,432	1,850	68,637	40,460	(22,485)		(22,485)	
Debt service:								
Interest and fiscal charges	2,070				(2,070)		(2,070)	
Total governmental activities	<u>223,512</u>	<u>13,920</u>	<u>73,300</u>	<u>42,600</u>	<u>(93,692)</u>	<u>-</u>	<u>(93,692)</u>	<u>-</u>
Business-type activities:								
Water	<u>6,775</u>	<u>6,838</u>		<u>27</u>		<u>90</u>	<u>90</u>	
Total Primary Government	<u>\$ 230,287</u>	<u>\$ 20,758</u>	<u>\$ 73,300</u>	<u>\$ 42,627</u>	<u>(93,692)</u>	<u>90</u>	<u>(93,602)</u>	<u>-</u>
Component Unit:								
Bristol-Burlington Health District	<u>\$ 2,985</u>	<u>\$ 162</u>	<u>\$ 2,766</u>	<u>\$ -</u>				<u>(57)</u>
General revenues:								
Property taxes					117,982		117,982	
Grants and contributions not restricted to specific programs					7,504		7,504	
Unrestricted investment earnings					354	(329)	25	3
Miscellaneous					150		150	
Total general revenues					<u>125,990</u>	<u>(329)</u>	<u>125,661</u>	<u>3</u>
Change in net assets					32,298	(239)	32,059	(54)
Net Assets at Beginning of Year					<u>242,310</u>	<u>25,020</u>	<u>267,330</u>	<u>880</u>
Net Assets at End of Year					<u>\$ 274,608</u>	<u>\$ 24,781</u>	<u>\$ 299,389</u>	<u>\$ 826</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

(In Thousands)

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 38,886	\$ 1,688	\$ 27,450	\$ 12,101	\$ 80,125
Investments				603	603
Receivables, net	8,230		393	1,770	10,393
Due from other funds	611			155	766
Other assets	2				2
Inventories				43	43
Total Assets	<u>\$ 47,729</u>	<u>\$ 1,688</u>	<u>\$ 27,843</u>	<u>\$ 14,672</u>	<u>\$ 91,932</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts and contracts payables	\$ 5,116	\$ 48	\$ 5,993	\$ 734	\$ 11,891
Accrued liabilities	9,128			922	10,050
Due to other funds	155			649	804
Due to other governments				15	15
Bond anticipation notes payable			7,410		7,410
Deferred revenue	3,900			980	4,880
Total liabilities	<u>18,299</u>	<u>48</u>	<u>13,403</u>	<u>3,300</u>	<u>35,050</u>
Fund balances:					
Nonspendable	2			690	692
Restricted		1,640		2,364	4,004
Committed	3,848		19,955	8,216	32,019
Assigned	1,617			120	1,737
Unassigned	23,963		(5,515)	(18)	18,430
Total fund balances	<u>29,430</u>	<u>1,640</u>	<u>14,440</u>	<u>11,372</u>	<u>56,882</u>
Total Liabilities and Fund Balances	<u>\$ 47,729</u>	<u>\$ 1,688</u>	<u>\$ 27,843</u>	<u>\$ 14,672</u>	<u>\$ 91,932</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

(In Thousands)

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds	\$ 56,882
--	-----------

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

Governmental capital assets	\$ 601,934	
Less accumulated depreciation	<u>(281,985)</u>	
Net capital assets		319,949

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

Net pension asset	6,451
Net bond issue costs	172
Property tax receivables greater than 60 days	2,127
Interest receivable on property taxes	1,423
Sewer assessments receivable	544
Sewer assessments interest receivable	28

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

4,734

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and serial notes payable	(83,839)
Unamortized premium on general obligation bonds	(3,751)
Interest payable on bonds and notes	(1,198)
Compensated absences	(7,644)
Landfill post closure care	(1,675)
Deferred charges on refunding	1,752
Other postemployment benefit obligation	<u>(21,347)</u>

Net Assets of Governmental Activities (Exhibit I)

\$ 274,608

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes and assessments	\$ 116,768	\$	\$ 30	\$ 7	\$ 116,805
Interest and lien fees on delinquent taxes and assessments	750				750
Licenses, permit and fees	1,582			5,815	7,397
Intergovernmental	66,772		43,114	12,224	122,110
Charges for services	3,310			2,912	6,222
Income on investments	176	4	78	60	318
Miscellaneous	924	21	22	1,051	2,018
Total revenues	<u>190,282</u>	<u>25</u>	<u>43,244</u>	<u>22,069</u>	<u>255,620</u>
Expenditures:					
Current:					
General government	5,640			1,479	7,119
Public safety	20,959			651	21,610
Public works	14,512			7,925	22,437
Health and welfare	4,884			1,215	6,099
Libraries	1,962			344	2,306
Parks and recreation	2,386			436	2,822
Education	100,448			10,720	111,168
Citywide:					
Employee benefits and pensions	3,898				3,898
Insurance	967				967
Miscellaneous	514				514
Capital outlay			55,434		55,434
Debt service:					
Principal retirement		4,275	270		4,545
Interest and fiscal charges	186	2,370	64		2,620
Total expenditures	<u>156,356</u>	<u>6,645</u>	<u>55,768</u>	<u>22,770</u>	<u>241,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>33,926</u>	<u>(6,620)</u>	<u>(12,524)</u>	<u>(701)</u>	<u>14,081</u>
Other Financing Sources (Uses):					
Transfers in	1,562	6,645	3,002	3,737	14,946
Transfers out	(34,681)			(4,443)	(39,124)
Refunding bonds issued	21,823				21,823
Premium on refunding bonds issued	2,932				2,932
Payment to refunded bond escrow agent	(24,569)				(24,569)
Total other financing sources (uses)	<u>(32,933)</u>	<u>6,645</u>	<u>3,002</u>	<u>(706)</u>	<u>(23,992)</u>
Net Change in Fund Balance	993	25	(9,522)	(1,407)	(9,911)
Fund Balance at Beginning of Year	<u>28,437</u>	<u>1,615</u>	<u>23,962</u>	<u>12,779</u>	<u>66,793</u>
Fund Balance at End of Year	<u>\$ 29,430</u>	<u>\$ 1,640</u>	<u>\$ 14,440</u>	<u>\$ 11,372</u>	<u>\$ 56,882</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (9,911)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	55,987
Depreciation expense	(12,596)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.	(122)
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The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.

	(833)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	299
Property tax interest and lien revenue - accrual basis change	31
Sewer assessment receivable - accrual basis change	6
Net pension asset	(148)
Change in bond issuance costs	172

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

Refunding bonds issued	(21,823)
Payments to bond refunding agent	24,569
Bond principal payments	2,650
Deferred amount on refunding	1,896
Accrued interest	244
Bond premiums	(2,655)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(312)
Amortization of deferred charge on refunding	(144)
Other postemployment benefits	(2,850)
Landfill post closure care	13

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

	<u>(2,175)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 32,298</u>
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The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS**

June 30, 2012
(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,250	\$ 15,896
Investments	3,659	
Receivables, net	1,256	111
Due from other funds		930
Inventories	251	
Other assets	52	
Total current assets	<u>6,468</u>	<u>16,937</u>
Noncurrent assets:		
Other deferred charges	26	
Capital assets:		
Assets not being depreciated	2,754	
Assets being depreciated, net	21,940	
Total noncurrent assets	<u>24,720</u>	<u>-</u>
Total assets	<u>31,188</u>	<u>16,937</u>
LIABILITIES		
Current liabilities:		
Accounts and other payables	449	4
Payroll liabilities	61	
Customer deposits	731	
Deferred credits	21	56
Compensated absences - current	62	
Bonds payable - current	605	
Unpaid claims - current		5,770
Total current liabilities	<u>1,929</u>	<u>5,830</u>
Noncurrent liabilities:		
Compensated absences	360	
Bonds payable	4,118	
Unpaid claims		6,373
Total noncurrent liabilities	<u>4,478</u>	<u>6,373</u>
Total liabilities	<u>6,407</u>	<u>12,203</u>
NET ASSETS		
Invested in capital assets, net of related debt	19,971	
Unrestricted	4,810	4,734
Total Net Assets	<u>\$ 24,781</u>	<u>\$ 4,734</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
	<u>Enterprise Fund</u>	<u>Service Fund</u>
Operating revenues:		
Charges for services	\$ 6,583	\$ 7,115
Contributions		49
Miscellaneous	255	655
Total operating revenues	<u>6,838</u>	<u>7,819</u>
Operating expenses:		
Source of supply	194	
Pumping	291	
Purification	1,127	
Transmission and distribution	1,837	
Customer accounts, administrative and general	2,031	
Depreciation	860	
Taxes other than income taxes	281	
Insurance claims, premiums and fees		34,208
Total operating expenses	<u>6,621</u>	<u>34,208</u>
Operating income (loss)	<u>217</u>	<u>(26,389)</u>
Nonoperating revenues (expenses):		
Income (loss) on investments	(329)	36
Interest expense	(141)	
Loss on disposal	(7)	
Amortization of debt discount and expense	(6)	
Total nonoperating revenues (expenses)	<u>(483)</u>	<u>36</u>
Income (loss) before capital contributions and transfers	(266)	(26,353)
Capital contributions	27	
Transfers:		
Transfers in		24,178
Change in Net Assets	(239)	(2,175)
Total Net Assets at Beginning of Year	<u>25,020</u>	<u>6,909</u>
Total Net Assets at End of Year	<u>\$ 24,781</u>	<u>\$ 4,734</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from charges for services and contributions	\$ 6,764	\$ 6,259
Cash received from other operating revenue		655
Cash paid to employees	(2,064)	
Cash paid to suppliers	(3,722)	
Cash payment for claims paid		(32,083)
Deposits paid back to customers	(5)	
Net cash provided by (used in) operating activities	973	(25,169)
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds		24,147
Cash Flows from Capital Financing Activities:		
Purchase of capital assets/utility plant	(585)	
Issuance of bonds and notes	2,112	
Principal payments bonds/notes	(2,756)	
Interest payments and issuance costs	(141)	
Net cash used in capital and related financing activities	(1,370)	-
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments	876	
Income on investments		36
Net cash provided by investing activities	876	36
Net Increase (Decrease) in Cash and Cash Equivalents	479	(986)
Cash and Cash Equivalents at Beginning of Year	771	16,882
Cash and Cash Equivalents at End of Year	\$ 1,250	\$ 15,896
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 217	\$ (26,389)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	860	
(Increase) decrease in due from other funds		(892)
(Increase) decrease in accounts receivable	(91)	(62)
Increase (decrease) in provision for uncollectible accounts	18	
(Increase) decrease in inventory	(92)	
Increase (decrease) in accounts payable	30	(4)
Increase (decrease) in deferred revenues		50
Increase (decrease) in accrued liabilities	32	
Increase (decrease) in accrued compensated absences	4	
Increase (decrease) in unpaid claims		2,128
Increase (decrease) in customer deposits	(5)	
Total adjustments	756	1,220
Net Cash Provided by (Used in) Operating Activities	\$ 973	\$ (25,169)
Noncash Investing and Capital Activities:		
Capital contributions	\$ 27	\$ -

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012
(In Thousands)

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 680	\$ 298	\$ 502
Investments, at fair value:			
Certificates of deposit			162
Corporate bonds	64,181		
U.S. treasury	47,518		
U.S. government agencies	11,777		
Securitized instruments	23,542		
Common stock	288,559		
Mutual funds	97,502	5	
Total investments	<u>533,079</u>	<u>5</u>	<u>162</u>
Total assets	<u>533,759</u>	<u>303</u>	<u>\$ 664</u>
Liabilities:			
Due to senior citizens			\$ 13
Due to student groups			651
Due to other funds	892		
Total liabilities	<u>892</u>		<u>\$ 664</u>
Net Assets:			
Held in Trust for Pension Benefits	531,020		
Held in Trust for OPEB Benefits	1,847	303	
Total Net Assets	<u>\$ 532,867</u>	<u>\$ 303</u>	

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS AND OPEB TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Pension Trust Funds	OPEB Trust Funds
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Plan members	\$ 2,244	\$ 298
Investment income:		
Net appreciation (depreciation) in fair value of investments	(16,107)	3
Interest and dividends	13,126	2
Total	<u>(2,981)</u>	<u>5</u>
Less investment expense	<u>(455)</u>	
Total investment income (loss)	<u>(3,436)</u>	<u>5</u>
Total additions (reductions)	<u>(1,192)</u>	<u>303</u>
Deductions:		
Benefits	18,197	
Administration	2,811	
Police and fire retiree health care	892	
Other	15	
Total deductions	<u>21,915</u>	
Net Change	(23,107)	303
Net Assets Held in Trust at Beginning of Year	<u>555,974</u>	
Net Assets Held in Trust at End of Year	<u>\$ 532,867</u>	<u>\$ 303</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1911. Its legal authority is derived from Chapter Ninety-nine (99) of the General Statutes of the State of Connecticut and Number 352 of the Special Acts of 1911. The City has operated under the Council-Mayor form of government since 1911. Services provided include education, water, sewer, refuse, streets and drainage, recreation and parks, planning and zoning, community development, human services, police and fire protection.

Discretely Presented Component Unit

The Bristol-Burlington Health District (the District) was formed on July 1, 1979 as a health district under Section 19-106 of the General Statutes of the State of Connecticut as a legally separate entity. The City appoints a majority of the District's governing six-member board once every three years. Although it is legally separate from the City of Bristol, the District is presented discretely as it is fiscally dependent upon the City. The City contributes almost eighty percent (80%) of the District's annual operating budget. Additionally, if the District were to dissolve, according to state statute the District would immediately become a department of the City. The District does not provide services primarily to the City of Bristol, but to its citizens. A complete set of financial statements may be obtained at the District's office located at 240 Stafford Avenue, Bristol, Connecticut 06010.

Related Organization

Bristol Downtown Development Corporation

The Bristol Downtown Development Corporation (the Corporation) was formed on April 5, 2007. The Corporation is a nonstock corporation organized pursuant to the Non-Stock Corporation act, Connecticut General Statute Section 33-1000 as a separate entity. All Directors are nominated by the Mayor and approved by vote of the City Council. During the current year, the City transferred \$69,500 to the Corporation.

Joint Venture

The City is a participant in two joint ventures as described below.

Tunxis Recycling Operating Committee

The City is a participant with thirteen (13) other cities and towns in a joint venture, the Tunxis Recycling Operating Committee (TROC). TROC is responsible for the development, operations and management of a solid waste recycling program for all participating communities. The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. The City of Bristol has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the intercommunity agreement dated as of June 21, 1990. Expenditures of \$119 were incurred in 2011-12 related to the City's participation in TROC.

The unassigned fund balance for fiscal year ended June 30, 2012 as reflected in TROC's financial statements is \$0.9 million. A complete set of financial statements for TROC can be obtained from TROC's administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

Bristol Resource Recovery Facility Operating Committee

The City is a participant with thirteen (13) other cities and towns in a joint venture, the Bristol Resource Recovery Facility (BRRFOC). BRRFOC was created pursuant to an intercommunity agreement to exercise certain rights on behalf of contracting municipalities in dealing with the trash-to-energy plant built by Ogden Martin Systems of Bristol, Inc., now known as Covanta Bristol, Inc. (Covanta) in Bristol, Connecticut. The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. The City of Bristol has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the intercommunity agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements. The City expenditures to BRRFOC amounted to \$2,782 this year. The unassigned fund balance for fiscal year ended June 30, 2012 as reflected in BRRFOC's financial statements is \$3.8 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

In April 2005, BRRFOC issued \$41,920 in Solid Waste Revenue Refunding Bonds with interest rates varying from 3.00% to 5.00% to current refund \$46,670 of outstanding special obligation bonds of the Connecticut Development Authority. The proceeds from the original bonds were loaned by the Authority to Covanta Bristol, Inc. Under the Service Agreement, the service fee is an obligation of the Contracting Municipalities to which each has pledged its full faith and credit. Should any Contracting Municipality default in its obligation to pay the service fee, the other Contracting Municipalities shall have an obligation to continue to pay the aggregate service fee. If the Company does not perform its obligations under the service agreement, and Covanta fails to perform such obligations pursuant to its guarantee, the Contracting Municipalities have certain rights to terminate the service agreement and, upon termination, would no longer be obligated to pay the service fee. The current balance of the bonds outstanding is \$15,910.

B. Government-Wide and Fund Financial Statements

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

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 funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term principal, interest and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds).

The City reports the following major proprietary fund:

The Enterprise Fund is used to account for the operations of the Bristol Water Department.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for the risk management activities of the City.

The Pension Trust Funds account for the activities of the City Pension Plans, which accumulate resources for pension benefit payments to qualified City employees.

The Other Post Employment Benefits (OPEB) Trust Fund accounts for the activities of the City's Post Employment Benefits plan, which accumulates resources for healthcare payments to qualified City employees.

The Agency Funds are used to account for assets held by the City in an agent capacity for individuals, private organizations or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds include Senior Citizens Activity Fund and School Activity Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Functional expenses in the statement of activities include certain indirect expenses, such as employee benefits, pension and insurance. These expenses are allocated to governmental activity functions based on total salary expenses for each function.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Enterprise Fund and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

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

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

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

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied each July 1 based on the assessed property values of the prior October 1 Grand List. Assessed values are established by the City Assessor’s Office at 70% of appraised value.

Property taxes related to assessed values of under \$1,000 (not rounded) are due in one installment on July 1; remaining property taxes are due in two equal installments on July 1 and the following January 1. Supplemental motor vehicle taxes are due in full on January 1. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. As of June 30, an enforceable lien is recorded against any outstanding real property taxes.

Uncollected taxes, other than amounts received within 60 days of year-end, and taxes collected in advance of the fiscal year in which they were levied, are reflected as deferred revenue in the fund financial statements. Property taxes receivable at June 30, 2012 are stated net of allowance for estimated uncollectible amounts of \$300.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more (amount not rounded) and an estimated useful life in excess of one year. 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.

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

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements other than buildings	20
Machinery and equipment	3-20
Infrastructure	10-65

H. Compensated Absences

A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is valued using current salary costs, as well as any salary related payments that are directly and incrementally connected with leave payments to employees. Sick leave accruals are also based on current salary costs as well as salary-related payments.

Eligible City employees earn 5 to 25 days of sick leave per year and 5 to 20 days of vacation per year depending on employees' length of service. A maximum of 200 days of sick leave and 40 days of vacation leave may be accrued. An employee leaving the employ of the City is entitled to be paid for all unused vacation and a maximum of 90 days or 45% of sick leave upon retirement.

Board of Education employees earn 10 to 20 days of sick leave per year. Maximum sick leave accrual varies by bargaining units from 180 to 275 days. Board of Education employees, with the exception of teachers, earn 5 to 20 days of vacation leave that cannot be accrued and must be used within the fiscal year it was earned. Upon termination, Board of Education employees are paid for all unused vacation leave. Unused sick leave is paid only on retirement to a maximum of 30% depending on bargaining units.

I. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

J. Fund Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance which has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City adopts an annual operating budget for the General Fund only. The following details the procedures relating to the General Fund budgetary data reflected in the financial statements.

The City Charter requires the Board of Finance to submit a recommended operating budget to the City Council 15 days prior to the third Monday in May. The budget provides a financial plan for the year and contains estimates of anticipated revenues and proposed expenditures. After at least one public hearing on the recommended budget, the Board of Finance and City Council (Joint Board) may adopt a final budget for the year.

In practice, the budget is submitted to the Board of Finance in February. A series of work sessions is held to review the budget and is followed by one or more public hearings. The final budget, which includes the annual property tax levy, is then approved.

Appropriations for the General Fund lapse at June 30 of each year. All other program appropriations do not lapse at year end.

The budget is prepared on the modified accrual basis, except for encumbrances, by function, activity and object. Expenditures may not legally exceed appropriations at the object level within a department. The Board of Finance has the power to approve budget revisions during the year up to \$5,000 (amount not rounded). Revisions in excess of \$5,000 (amount not rounded) require Joint Board approval. All budget revisions must be approved. Additional appropriations from fund balance in the amount of \$11,303 were approved during the fiscal year.

Encumbrances are recognized as a valid and proper charge in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Encumbrances outstanding at year-end are included in either restricted, committed or assigned fund balance depending on the level of restriction in accordance with generally accepted accounting principles (GAAP) since they do not constitute expenditures or liabilities.

Also, in accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the City has reported on-behalf payments made by the State of Connecticut into the teachers' retirement system in the Governmental Funds.

Budgets for Special Revenue Funds are prepared in accordance with the requirements of the various grant agreements and/or legal provisions that control the expenditure of such funds. Since such budgets are adopted on a program basis, it is not practicable to present the results of budgetary operations at the combined level. Special Revenue Funds are budgeted on the modified accrual basis.

Appropriations for the Capital Projects Funds do not lapse at the end of the fiscal year, but continue until the completion of the applicable project.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$42,808 of the City’s bank balance of \$51,875 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 30,978
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>11,830</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 42,808</u>

At June 30, 2012, the entire amount of the component unit’s deposits was covered by federal depository insurance.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2012, the cash equivalent amounted to \$52,397. The following table provides summary of the City’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor’s</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Cooperative Liquid Assets Securities System (CLASS)	AAAm

B. Investments

Investments as of June 30, 2012 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Interest-bearing investments:					
U.S. Treasury bonds	Aaa	\$ 47,518	\$ 13,550	\$ 30,595	\$ 3,373
U.S. Government agencies	Aaa	11,777	4,039	7,738	
Corporate bonds	Aaa	954	954		
Corporate bonds	Aa1-Aa3	2,862		2,862	
Corporate bonds	A1-A3	19,565		19,565	
Corporate bonds	Baa1-Baa3	22,424	1	22,419	4
Corporate bonds	Ba1-Ba3	7,450	5	7,418	27
Corporate bonds	B1-B3	7,531	32	7,317	182
Corporate bonds	Caa1-Caa3	2,254	16	2,145	93
Corporate bonds	Ca1-Ca3	392	3	373	16
Corporate bonds	Unrated	749	5	713	31
Securitized instruments	Aaa	23,542		3,183	20,359
Certificates of deposit	*	162	134	28	
Total		147,180	\$ 18,739	\$ 104,356	\$ 24,085
Other investments:					
Common stock		288,559			
Mutual funds		101,769			
Total Investments		\$ 537,508			

*Subject to coverage by federal depository insurance and collateralization.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The City has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk - The City does not have a policy limiting investments in any one issuer that is in excess of five percent of the City's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2012, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>Water Enterprise Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 2,732	\$	\$	\$	\$ 2,732
Interest	1,423				1,423
Accounts	248	2	1,360	686	2,296
Special assessments				572	572
Intergovernmental	<u>4,137</u>	<u>391</u>	<u></u>	<u>623</u>	<u>5,151</u>
Gross receivables	8,540	393	1,360	1,881	12,174
Less allowance for uncollectibles	<u>(310)</u>	<u></u>	<u>(104)</u>	<u></u>	<u>(414)</u>
Net Total Receivables	<u>\$ 8,230</u>	<u>\$ 393</u>	<u>\$ 1,256</u>	<u>\$ 1,881</u>	<u>\$ 11,760</u>

Total uncollectible amounts related to revenues of the current period are as follows:

General Fund:	
Uncollectibles related to taxes receivable	\$ 300
Uncollectibles related to accounts receivable	10
Water Enterprise Fund:	
Uncollectibles related to accounts receivable	<u>104</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 414</u>

Governmental funds report deferred revenue in connection with receivables 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>
Delinquent property taxes receivable principal and interest	\$ 3,550	\$
Property taxes collected in advance		155
Sewer assessments not yet due	572	
Other	<u></u>	<u>659</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 4,122</u>	<u>\$ 814</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,213	\$ 79	\$ (122)	\$ 18,170
Construction in progress	28,115	51,350	(9,180)	70,285
Total capital assets not being depreciated	<u>46,328</u>	<u>51,429</u>	<u>(9,302)</u>	<u>88,455</u>
Capital assets being depreciated:				
Buildings	199,502	473	(466)	199,509
Improvements other than buildings	6,977	7,267		14,244
Machinery and equipment	64,556	3,992	(1,036)	67,512
Infrastructure	230,589	2,006	(381)	232,214
Total capital assets being depreciated	<u>501,624</u>	<u>13,738</u>	<u>(1,883)</u>	<u>513,479</u>
Less accumulated depreciation for:				
Buildings	(87,158)	(4,431)	55	(91,534)
Improvements other than buildings	(5,119)	(212)		(5,331)
Machinery and equipment	(48,797)	(3,164)	966	(50,995)
Infrastructure	(129,365)	(4,789)	29	(134,125)
Total accumulated depreciation	<u>(270,439)</u>	<u>(12,596)</u>	<u>1,050</u>	<u>(281,985)</u>
Total capital assets being depreciated, net	<u>231,185</u>	<u>1,142</u>	<u>(833)</u>	<u>231,494</u>
Governmental Activities Capital Assets, Net	<u>\$ 277,513</u>	<u>\$ 52,571</u>	<u>\$ (10,135)</u>	<u>\$ 319,949</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,700	\$	\$	\$ 2,700
Construction in progress	22	54	(22)	54
Total capital assets not being depreciated	<u>2,722</u>	<u>54</u>	<u>(22)</u>	<u>2,754</u>
Capital assets being depreciated:				
Buildings and system	36,684	54		36,738
Machinery and equipment	4,654	512	(142)	5,024
Total capital assets being depreciated	<u>41,338</u>	<u>566</u>	<u>(142)</u>	<u>41,762</u>
Less accumulated depreciation for:				
Buildings and system	(16,068)	(741)		(16,809)
Machinery and equipment	(3,023)	(119)	129	(3,013)
Total accumulated depreciation	<u>(19,091)</u>	<u>(860)</u>	<u>129</u>	<u>(19,822)</u>
Total capital assets being depreciated, net	<u>22,247</u>	<u>(294)</u>	<u>(13)</u>	<u>21,940</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,969</u>	<u>\$ (240)</u>	<u>\$ (35)</u>	<u>\$ 24,694</u>

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

Governmental activities:	
General government	\$ 231
Public safety	1,321
Public works	6,541
Health and welfare	6
Libraries	546
Parks and recreation	347
Education	<u>3,604</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>12,596</u>
 Business-type activities:	
Water	\$ <u>860</u>

Construction Commitments

The City has several active construction projects as of June 30, 2012. The following is a summary of capital projects as of June 30, 2012:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Schools	\$ 178,222	\$ 156,784
Streets, bridges and building improvements	50,183	41,111
Capital and nonrecurring	<u>42,517</u>	<u>30,707</u>
 Total	 \$ <u>270,922</u>	 \$ <u>228,602</u>

The commitments are being financed with general obligation bonds and State and Federal grants.

Discretely Presented Component Units

Activity for the Bristol-Burlington Health District for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 225	\$ 7	\$ -	\$ 232
Less accumulated depreciation for:				
Furniture and equipment	<u>(131)</u>	<u>(24)</u>	<u>-</u>	<u>(155)</u>
 District Capital Assets, Net	 \$ <u>94</u>	 \$ <u>(17)</u>	 \$ <u>-</u>	 \$ <u>77</u>

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2012, interfund receivables and payables were comprised of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 611
Nonmajor Governmental Funds	General Fund	155
Internal Service	Nonmajor Governmental Funds	38
Internal Service	Pension Trust Funds	<u>892</u>
Total		<u>\$ 1,696</u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. All balances are expected to be repaid within a year.

Interfund transfers:

	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Internal Service Funds</u>	
Transfer out:						
General Fund	\$	\$ 6,645	\$ 1516	\$ 3,737	\$ 22,783	\$ 34,681
Nonmajor Governmental Funds	<u>1562</u>		<u>1486</u>		<u>1,395</u>	<u>4,443</u>
Total Transfers Out	<u>\$ 1,562</u>	<u>\$ 6,645</u>	<u>\$ 3,002</u>	<u>\$ 3,737</u>	<u>\$ 24,178</u>	<u>\$ 39,124</u>

Transfers are for regularly recurring operational transfers. Interfund transfers are used to 1) to move revenues from the General Fund to the Debt Service Fund to pay for principal and interest on debt, 2) to supplement revenues of other funds such as the Capital Projects Fund for the projects that have been closed out, and 3) to support the self-insurance for health and workers' compensation benefits.

7. LEASES

Operating Leases

The City leases computers under noncancelable operating leases. Total costs for such leases were \$634 for the year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 509
2014	360
2015	205
2016	<u>66</u>
	<u>\$ 1,140</u>

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds and Clean Water Fund Loans	\$ 89,235	\$ 21,823	\$ 27,219	\$ 83,839	\$ 6,646
Premium on general obligation bonds	1096	2,932	277	3,751	
Deferred amount on refunding		(1,896)	(144)	(1,752)	
Total bonds and note payable	<u>90,331</u>	<u>22,859</u>	<u>27,352</u>	<u>85,838</u>	<u>6,646</u>
Compensated absences	7,332	1,401	1,089	7,644	1,518
Landfill postclosure care	1,688	50	63	1,675	63
Net OPEB obligation	18,497	2,850		21,347	
Unpaid claims	<u>10,015</u>	<u>34,208</u>	<u>32,080</u>	<u>12,143</u>	<u>5,770</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 127,863</u>	<u>\$ 61,368</u>	<u>\$ 60,584</u>	<u>\$ 128,647</u>	<u>\$ 13,997</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 5,263	\$ 2,112	\$ 2,756	\$ 4,619	\$ 595
Premium on general obligation bonds		284	22	262	26
Deferred amount on refunding		(171)	(13)	(158)	(16)
Total bonds	<u>5,263</u>	<u>2,225</u>	<u>2,765</u>	<u>4,723</u>	<u>605</u>
Compensated absences	<u>418</u>	<u>55</u>	<u>51</u>	<u>422</u>	<u>62</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 5,681</u>	<u>\$ 2,280</u>	<u>\$ 2,816</u>	<u>\$ 5,145</u>	<u>\$ 667</u>
Component Unit:					
Compensated absences	<u>\$ 94</u>	<u>\$ 68</u>	<u>\$ 63</u>	<u>\$ 99</u>	<u>\$ 39</u>

For the governmental activities, compensated absences and OPEB obligations are generally liquidated by the General Fund.

Bond Anticipation Notes

Bond anticipation notes payable activity for the year ended June 30, 2012 was as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bond anticipation notes	11/15/10	08/01/11	1.25%	\$ 7,410	\$	\$ 7,410	\$
Bond anticipation notes	08/01/11	07/30/12	1.25%	<u> </u>	7,410	<u> </u>	7,410
Total				<u>\$ 7,410</u>	<u>\$ 7,410</u>	<u>\$ 7,410</u>	<u>\$ 7,410</u>

Bond anticipation notes payable are issued to finance purchase of land, demolition, abatement, cleanup and other work at the Bristol Centre Mall site.

Bonds and notes payable at June 30, 2012 were comprised of the following:

Description	Issue	Maturity	Rate (%)	Issue	June 30, 2012
General City Bonds:					
General improvement:					
2004	10/15/04	10/15/21	3.00-5.00	\$ 22,365	\$ 2,630
2006	12/01/06	07/15/22	3.00-4.00	10,006	1,251
2009	02/15/09	02/15/17	2.00-4.18	8,900	7,220
2011	06/27/11	08/01/30	2.00-4.00	8,637	8,637
2012 Refunding	08/11/11	07/15/22	3.00-5.00	15,589	<u>15,589</u>
Total general improvement bonds					<u>35,327</u>
School:					
2005 Refunding	06/15/05	10/15/18	2.70-5.00	10,635	6,735
2006	12/01/06	07/15/22	3.00-4.00	11,600	1,450
2011	06/27/11	08/01/30	2.00-4.00	25,550	25,550
2012 Refunding	08/11/11	07/15/22	3.00-5.00	6,234	<u>6,234</u>
Total school bonds					<u>39,969</u>
Sewers:					
1993 Refunding	12/15/93	06/15/13	3.25-5.40	1,490	95
2011	06/27/11	08/01/30	2.00-4.00	5,400	<u>5,400</u>
Total sewer bonds					<u>5,495</u>
Capital Projects Fund:					
Clean Water Fund Notes					
498-D/C	06/30/02	06/30/21	2.00	1,483	734
Clean Water Fund Notes					
415-D/C	06/30/02	06/30/21	2.00	1,410	698
Clean Water Fund Notes					
504-C	12/31/03	12/31/22	2.00	1,488	847
Clean Water Fund Notes					
562-C	11/30/04	11/30/23	2.00	694	425
Clean Water Fund Notes					
464-C	05/31/06	03/31/26	2.00	470	<u>344</u>
Total capital projects level debt					<u>3,048</u>
Total General City Serial Bonds and Clean Water Fund Loans					<u>83,839</u>
Water Department					
Enterprise Fund Bonds:					
Water 1995	05/15/95	05/15/14	4.90-6.00	1,640	200
Water 2004	10/15/04	10/15/21	3.00-5.00	600	70
Water 2005 Refunding	06/15/05	10/15/18	2.70-5.00	2,315	1,005
Water 2006	12/01/06	07/15/22	3.00-4.00	3,394	419
Water 2011	06/27/11	08/01/30	2.00-4.00	813	813
Water 2012 Refunding	08/11/11	07/15/22	3.00-5.00	2,112	<u>2,112</u>
Total Water Department Enterprise Fund Bonds					<u>4,619</u>
Total Bonded Indebtedness				\$	<u><u>88,458</u></u>

Notes and bonds payable are secured by the general revenue raising powers of the City. The annual requirements to amortize long-term bond obligations at June 30, 2012 are as follows:

General Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 5,990	\$ 2,705	\$ 8,695
2014	5,990	2,466	8,456
2015	5,901	2,236	8,137
2016	5,892	2,017	7,909
2017	5,887	1,793	7,680
2018-2022	26,493	5,955	32,448
2023-2027	11,950	2,383	14,333
2028-2031	<u>7,192</u>	<u>576</u>	<u>7,768</u>
Total	<u>\$ 75,295</u>	<u>\$ 20,131</u>	<u>\$ 95,426</u>

Sewer Operating and Assessment Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 380	\$ 192	\$ 572
2014	285	176	461
2015	285	164	449
2016	285	153	438
2017	285	141	426
2018-2022	1,415	578	1,993
2023-2027	1,420	352	1,772
2028-2031	<u>1,140</u>	<u>91</u>	<u>1,231</u>
Total	<u>\$ 5,495</u>	<u>\$ 1,847</u>	<u>\$ 7,342</u>

Capital Projects Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 275	\$ 59	\$ 334
2014	281	53	334
2015	286	47	333
2016	292	41	333
2017	298	36	334
2018-2022	1,408	87	1,495
2023-2026	209	5	214
Total	<u>\$ 3,049</u>	<u>\$ 328</u>	<u>\$ 3,377</u>

Water Enterprise Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 595	\$ 182	\$ 777
2014	594	153	747
2015	479	125	604
2016	483	106	589
2017	478	87	565
2018-2022	1,407	251	1,658
2023-2027	415	56	471
2028-2031	168	13	181
Total	<u>\$ 4,619</u>	<u>\$ 973</u>	<u>\$ 5,592</u>

The City does not have any overlapping debt contingencies as of June 30, 2012.

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 264,436	\$ 50,520	\$ 213,916
Schools	528,872	42,102	486,770
Sewers	440,726	8,993	431,733
Urban renewal	381,963		381,963
Pension deficit	352,581		352,581

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$822,668).

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. Bonds authorized but not issued are as follows:

General Purpose	\$	8,093
Schools		102,436
Sewers		<u>450</u>
	\$	<u><u>110,979</u></u>

Additionally, net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$100,613.

General Obligation Bonds Refunding

On August 11, 2011, the City issued \$23,935 of general obligation refunding bonds with interest rates ranging from 3.0% to 5.0%. The bonds were issued to refund principal amounts of general obligation bonds of the City issued for various school, general purpose and water projects dated October 15, 2004 and December 1, 2006. The City refunded the above bonds to reduce total debt service payments over the next 11 years by approximately \$1,304. The net proceeds of \$26,947 (after an original issue premium of \$3,216 and payment of \$204 in underwriter’s fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated August 11, 2011 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The refunded bonds are considered defeased. The outstanding balance of the defeased bonds as of June 30, 2012 is \$24,880 and the escrow balance is \$26,327.

9. LANDFILL CLOSURE

The City entered into a landfill lease agreement with Ogden Martin Systems of Bristol, Inc. (the Company), now known as Covanta, Bristol, Inc. (Covanta), whereby the City leased to the Company a landfill adjacent to the facility site in the City. The City is currently collecting fees for the interim period until the official Certificate of Closure is issued. Further, the Company, pursuant to a service agreement with the Bristol Resource Recovery Facility Operating Committee (BRRFOC) has passed all costs of properly closing the City’s landfill site to the Committee and the related contracting communities. Solid waste landfill closure and postclosure care requirements have been established by the State of Connecticut Department of Environmental Protection Agency and the Federal Environmental Protection Agency. The costs associated with monitoring and maintaining the landfill area during the postclosure period are the responsibility of the City. The projected costs of this postclosure period is \$1,675. These projected costs could be impacted by future inflation and regulations. The landfill was closed prior to July 1, 2002. Between 1979 and 1983 one part of the site received metal hydroxide slurry from local metal plating companies. This area was closed in 1986 and covered with a membrane cap as required by the Resource Conservation and Recovery Act (RCRA).

10. RISK MANAGEMENT

The City is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City generally obtains commercial insurance for these risks but has chosen to retain the risks for employee health and medical claims. The City has also retained risk for workers' compensation claims for fiscal years July 1, 1985 through June 30, 1998 and July 1, 2004 through June 30, 2011. The Health Benefits and Worker's Compensation Internal Service Fund is utilized to report this self-insurance activity. CIGNA administers the medical, Medco administers the prescription and Anthem Blue Cross/Blue Shield administers the dental plan, for which the City pays a fee. All funds of the City contribute to the Internal Service Fund based upon actuarial and insurance carrier estimates. The claims liability of \$12,143 reported in the Internal Service Fund at June 30, 2012 is based on the Government Accounting Standards Board Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows:

	<u>Liability July 1,</u>		Current Year Claims And Changes In Estimates		<u>Claim Payment</u>	<u>Liability June 30,</u>
2010-11	\$ 8,846	\$	28,857	\$	27,688	\$ 10,015
2011-12	10,015		34,208		32,080	12,143

Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years.

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2012 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 43	\$ 43
Prepays	2				2
Trust purpose				647	647
Restricted for:					
Grants				2,364	2,364
Debt service		1,640			1,640
Committed to:					
Landfill closure	548		1,851		2,399
Compensated absences	2,500			317	2,817
Heart and Hypertension	800				800
School renovations			11,951		11,951
Capital and nonrecurring			891		891
Capital and nonrecurring WPCA			5,262		5,262
Equipment				2,489	2,489
Education				783	783
Manross Memorial Library				521	521
Sewer				3,013	3,013
Solid waste disposal				230	230
Pine Lake challenge course				148	148
Open space				4	4
Centre mall				428	428
Trust purpose				283	283
Assigned to:					
Subsequent year's budget	625				625
Carryovers	607			120	727
General government encumbrances	24				24
Public safety encumbrances	7				7
Public works encumbrances	333				333
Libraries encumbrances	18				18
Parks and recreation encumbrances	3				3
Unassigned	<u>23,963</u>		<u>(5,515)</u>	<u>(18)</u>	<u>18,430</u>
Total Fund Balances	<u>\$ 29,430</u>	<u>\$ 1,640</u>	<u>\$ 14,440</u>	<u>\$ 11,372</u>	<u>\$ 56,882</u>

Significant encumbrances at June 30, 2012 are contained in the above table in both the assigned and committed categories.

12. CONTINGENT LIABILITIES

The City is a defendant in a number of lawsuits. Based on Counsel's review of all asserted claims for damages, the City is of the opinion that resolution of all lawsuits against the City will not significantly affect its financial position.

The City participates in a number of State and Federal grant programs that are subject to program compliance audits by the grantor agencies. Such audits could lead to requests for reimbursement of expenditures disallowed under the terms of the grants. As of June 30, 2012, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

13. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The City provides certain health care and life insurance benefits for retired employees in accordance with City Council resolutions and bargaining agreements. All regular active employees who retire directly from City of Bristol and meet eligibility criteria may participate. Benefit provisions are established through negotiations between the City and the various unions representing the employees. The other postemployment benefits plan is a single-employer defined benefit healthcare plan administered by the City of Bristol. The City does not issue stand-alone financial statements for this program.

At July 1, 2010, plan membership consisted of the following:

	Retiree Health Plan
Active plan members	1,560
Retired members	532
Total Participants	<u>2,092</u>

B. Funding Policy

The City's funding and payment of postemployment benefits are accounted for in the Internal Service Fund on a pay-as-you-go basis. The City has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees.

Governmental Accounting Standards Board Statement No. 45 defines the Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB). IRS Code Section 401(h) Account is a separate account set up as a sub-account of the retirement fund trust that can pre-fund retiree healthcare for medical, dental, vision and other health-related benefits provided to terminated or retired employees and their dependents and beneficiaries. The City has implemented Code 401(h) for its Police and Fire Plans and set aside those assets as restricted pension assets and sub-accounts of the City's overall pension plan. The pension assets restricted for those sub-account OPEB payments are \$1,446,832 (amount not rounded) for the Police Pension plan and \$1,292,321 (amount not rounded) for the Fire Pension plan.

Annual OPEB Cost and Net OPEB Obligations

The City of Bristol's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

	Retiree Healthcare Plan
Annual required contribution (ARC)	\$ 7,883
Interest on net OPEB obligation	925
Adjustment to annual required contribution	<u>(1,203)</u>
Annual OPEB cost	7,605
Contributions made	<u>4,755</u>
Increase in net OPEB obligation	2,850
Net OPEB obligation, beginning of year	<u>18,497</u>
Net OPEB Obligation, End of Year	<u><u>\$ 21,347</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2010	\$ 9,157	\$ 4,450	48.5%	\$ 15,659
6/30/2011	7,292	4,454	61.1	18,497
6/30/2012	7,605	4,755	62.5	21,347

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/08	\$ -	\$ 72,000	\$ (72,000)	0.0%	\$ 70,000	(102.9)%
7/1/10	-	64,510	(64,510)	0.0	91,807	(70.3)

Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	\$ 9,322	47.7%
2011	7,528	59.2
2012	7,883	60.3

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a closed 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 5% investment rate of return and inflation rate of 3%. The annual healthcare cost trend rate is 10% initially, grading down to 5% in year 2019 and thereafter.

14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

The City of Bristol is the administrator of three single-employer Public Employee Retirement Systems (PERS) as presented below:

City of Bristol Retirement System	General city employees
Firefighters' Benefit Fund	Firefighter employees
Police Benefit Fund	Police employees

The PERS are considered to be part of the City of Bristol's financial reporting entity and are included in the City's financial reports as pension trust funds. There are no stand-alone financial statements issued for the PERS. These plans were established and can be amended under the authority of the City Charter.

Combining Schedule of Assets

	Employee Retirement Funds			Total
	City Retirement System Fund	Firefighters' Benefit Fund	Police Benefit Fund	
Assets:				
Cash and cash equivalents	\$ 119	\$ 370	\$ 191	\$ 680
Investments	197,218	160,079	175,782	533,079
Total Assets	197,337	160,449	175,973	533,759
Liabilities:				
Due to other funds		465	427	892
Net Assets:				
Held in trust for pension benefits	197,337	159,157	174,526	531,020
Held in trust for Police retiree OPEB benefits			1,020	1,020
Held in trust for firefighters retiree OPEB benefits		827		827
Total Net Assets	\$ 197,337	\$ 159,984	\$ 175,546	\$ 532,867

Combining Schedule of Changes in Plan Net Assets

	Employee Retirement Funds			Total
	City Retirement System Fund	Firefighters' Benefit Fund	Police Benefit Fund	
Additions:				
Contributions:				
Plan members	\$ 1,592	\$ 256	\$ 396	\$ 2,244
Investment income:				
Net depreciation in fair value of investments	(6,075)	(4,774)	(5,258)	(16,107)
Interest and dividends	4,905	3,915	4,306	13,126
Total investment earnings	(1,170)	(859)	(952)	(2,981)
Less investment expenses	(289)	(79)	(87)	(455)
Net investment income	(1,459)	(938)	(1,039)	(3,436)
Total additions (reductions)	133	(682)	(643)	(1,192)
Deductions:				
Benefits	10,176	3,465	4,556	18,197
Administration	1,059	844	908	2,811
Police and Fire retiree health care		465	427	892
Other			15	15
Total deductions	11,235	4,774	5,906	21,915
Change in net assets	(11,102)	(5,456)	(6,549)	(23,107)
Net assets held in trust for pension benefits, July 1, 2011	208,439	165,440	182,095	555,974
Net Assets Held in Trust for Pension Benefits, June 30, 2012	\$ 197,337	\$ 159,984	\$ 175,546	\$ 532,867

At July 1, 2011, PERS membership consisted of:

	<u>City of Bristol Retirement System</u>	<u>Firefighters' Benefit Fund</u>	<u>Police Benefit Fund</u>
Retirees, disabled and beneficiaries currently receiving benefits	464	90	96
Terminated employees entitled to benefits but not yet receiving them	47	2	2
Current employees:			
Vested	384	49	74
Nonvested	<u>350</u>	<u>42</u>	<u>44</u>
Total	<u><u>1,245</u></u>	<u><u>183</u></u>	<u><u>216</u></u>

The City of Bristol Retirement System covers all full-time employees (except firemen, policemen and teachers) who are under age 65 on their date of employment. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Employees who retire at normal retirement (age plus service equal to 80, minimum age 55) receive a retirement benefit for life of 2.40% of average annual pay times number of completed years of service. If an employee leaves employment or dies before meeting vesting requirements, accumulated employee contributions and interest are refunded.

The City of Bristol Fire Benefit Fund covers all members of the Fire Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Fire Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund. Fire employees who retire at normal retirement (the earlier of age 65 and 25 years of continuous service) receive a retirement benefit for life of 70% of base pay (including ¼ of an employee's unused sick leave paid out at the time of retirement), adjusted for Cost of Living. The Cost-of-Living escalation is limited to a 2.25% increase per year. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

The City of Bristol Police Benefit Fund covers all members of the Police Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Police Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Police employees who were hired prior to July 1, 1988 and who retire at normal retirement (the earlier of age 65 or 25 years of continuous service) receive a retirement benefit for life of 70% of the compensation paid to the member in the year prior to his retirement, adjusted for escalation. The pension benefit formula is 70% of a member's compensation (base pay). Base pay shall include ¼ of an employee's unused sick leave paid out at the time of retirement if applicable.

The Plan also provides for automatic post-retirement increases on retiree pensions. The pension shall be adjusted by one-half of the pay increase awarded to a then-active member in the same grade as the retiree last held. The cost-of-living escalation is limited to a 2.25% increase per year. Member's contributions are returnable on termination or on death while active, or after retirement (less any benefits paid), provided in each case that no death benefits are otherwise payable.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS. Administrative costs are paid from pension fund resources.

Method Used to Value Investments: All assets are valued at fair value for reporting purposes. Realized and unrealized gains or losses are spread over four years for actuarial valuation purposes. There are no investments in any organization that represent 5% or more of available net assets.

C. Funding Status and Progress

Employees covered under the City of Bristol retirement system are required to contribute 6.0% of pay. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions and interest are refunded.

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2012, the City was not required to make a contribution. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

Fire employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. Employees shall be fully vested after ten years of continuous service. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2012, the City was not required to make a contribution. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

Police employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2012, the City was not required to make a contribution. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

D. Annual Pension Cost and Net Pension Obligations

The annual pension cost and net pension obligation for the current year were as follows:

	<u>City of Bristol Retirement System</u>	<u>Firefighters' Benefit Fund</u>	<u>Police Benefit Fund</u>
Annual required contribution	\$ -	\$ -	\$ -
Interest on net pension obligation	(137)	(140)	(234)
Adjustment to annual required contribution	<u>177</u>	<u>180</u>	<u>302</u>
Annual pension cost	40	40	68
Contributions made	<u>-</u>	<u>-</u>	<u>-</u>
Decrease in net pension asset	40	40	68
Net pension asset, beginning of year	<u>(1,774)</u>	<u>(1,803)</u>	<u>(3,022)</u>
Net Pension Assets, End of Year	<u>\$ (1,734)</u>	<u>\$ (1,763)</u>	<u>\$ (2,954)</u>

The following is a summary of certain significant actuarial assumptions and other PERS information:

	<u>City of Bristol Retirement System</u>	<u>Firefighters' Benefit Fund</u>	<u>Police Benefit Fund</u>
Actuarial valuation date	July 1, 2011	July 1, 2011	July 1, 2011
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar amount-open	Level dollar amount-open	Level dollar amount-open
Remaining amortization period	20 years, open	20 years, open	20 years, open
Asset valuation method	4-year smoothed market	4-year smoothed market	4-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.75%	7.75%	7.75%
Projected salary increases	5.0%	6.25%	6.25%
*Includes inflation at	2.75%	2.75%	2.75%

E. Trend Information

City of Bristol Retirement System			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/10	\$ 42	0.0%	\$ (1,814)
6/30/11	40	0.0	(1,774)
6/30/12	40	0.0	(1,734)

Firefighters' Benefit Fund			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/10	\$ 43	0.0%	\$ (1,845)
6/30/11	42	0.0	(1,803)
6/30/12	40	0.0	(1,763)

Police Benefit Fund			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/10	\$ 72	0.0%	\$ (3,091)
6/30/11	69	0.0	(3,022)
6/30/12	68	0.0	(2,954)

F. Schedule of Funding Progress

City of Bristol Retirement System							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)	
7/1/06	\$ 170,138	\$ 124,411	\$ 45,727	136.8%	\$ 26,901	170.0%	
7/1/07	192,080	131,438	60,642	146.1	29,345	206.6	
7/1/08	207,698	143,268	64,430	145.0	30,309	212.6	
7/1/09	203,537	150,284	53,253	135.4	31,268	170.3	
7/1/10	202,904	156,145	46,759	129.9	30,783	151.9	
7/1/11	200,861	161,266	39,595	124.6	30,610	129.4	

Firefighters' Benefit Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/06	\$ 125,251	\$ 59,274	\$ 65,977	211.3%	\$ 4,696	1,405.0%
7/1/07	142,188	60,481	81,707	235.1	5,184	1,576.1
7/1/08	155,198	61,374	93,824	252.9	5,219	1,797.6
7/1/09	155,135	61,873	93,262	250.7	5,298	1,760.4
7/1/10	157,354	62,506	94,848	251.7	5,275	1,798.1
7/1/11	159,247	66,073	93,174	241.0	5,454	1,708.2

Police Benefit Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/06	\$ 137,399	\$ 73,840	\$ 63,559	186.1%	\$ 6,768	939.1%
7/1/07	156,222	76,105	80,117	205.3	7,502	1,067.9
7/1/08	170,638	77,990	92,648	218.8	7,421	1,248.5
7/1/09	170,404	83,227	87,177	204.7	8,245	1,057.3
7/1/10	172,814	86,099	86,715	200.7	8,377	1,035.1
7/1/11	175,219	91,283	83,936	192.0	8,295	1,011.9

G. Schedule of Employer Contributions

City of Bristol Retirement System

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/07	\$ 115	100%
6/30/08	-	N/A
6/30/09	-	N/A
6/30/10	-	N/A
6/30/11	-	N/A
6/30/12	-	N/A

Firefighters' Benefit Fund

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/07	\$ -	N/A
6/30/08	-	N/A
6/30/09	-	N/A
6/30/10	-	N/A
6/30/11	-	N/A
6/30/12	-	N/A

Police Benefit Fund

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/07	\$ -	N/A
6/30/08	-	N/A
6/30/09	-	N/A
6/30/10	-	N/A
6/30/11	-	N/A
6/30/12	-	N/A

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

H. Teacher Retirement

All City of Bristol Board of Education certified employees participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Total covered payroll and total certified Board payroll was \$54,170 for the year ended June 30, 2012.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2012, the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$11,125 as payments made by the State of Connecticut on behalf of the City. The City does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

**Required Supplementary
Information**

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance Over (Under)	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Property taxes:						
Current levy	\$ 114,825	\$	\$ 114,825	\$ 115,579	\$ 754	\$ 115,169
Prior levies	1,350		1,350	1,189	(161)	1,575
Interest and penalties	570		570	750	180	927
Total property taxes	116,745	-	116,745	117,518	773	117,671
Licenses, permits and fees:						
Assessors' late filing fees	1		1	2	1	1
Circuit court fines	1		1	2	1	1
Dog penalties	1		1	1		-
Merchandising licenses	2		2	3	1	2
Animal licenses	8		8	8		7
Marriage licenses	3		3	2	(1)	2
Fees	8		8	7	(1)	11
Notary services	4		4	5	1	4
Burial permits	2		2	3	1	2
Trade names	1		1	1		1
Vital statistics	112		112	143	31	134
Parking violations	75		75	79	4	51
Alarm fees	15		15	13	(2)	13
Police report fees	10		10	9	(1)	10
Building permits	450	790	1,240	1,239	(1)	889
Building violations	2		2	7	5	6
PW excavating permits	8		8	7	(1)	6
Land use fees and permits	16		16	12	(4)	18
Library fines	25		25	25		25
Total licenses, permits and fees	744	790	1,534	1,568	34	1,183
State and Federal Grants:						
State grants-in-aid:						
State Owned Property (PILOT)	103		103	103		54
PILOT: Manufacturing and Equipment	2,000		2,000	1,974	(26)	2,066
State Grant: Elderly Freeze	6		6	6		9
Boat registration	5		5		(5)	10
Tax Relief Elderly/Disabled Homeowner	300	36	336	346	10	352
Private Hospitals (PILOT)	573		573	573		625
Tax Relief Totally Disabled	8		8	10	2	9
Additional Tax Relief: Veterans	19		19	27	8	25
Enterprise zone reimbursement	160		160	147	(13)	158
Sales Tax	700		700	702	2	-
Town Aid Road Transportation	341		341	340	(1)	340
Mashantucket Pequot Grant	581		581	596	15	585
PILOT	60		60	72	12	74
Off-track betting	71		71	71		70
Utilities tax	140		140	156	16	163
Youth Services Bureau	49		49	49		49
Youth Service Bureau - Enhancement	-	8	8	8		8
E911 Subsidy Grant	130		130	136	6	136

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012					2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance Over (Under)	
School Readiness Grant/Quality Enhancement	\$	\$ 2,151	\$ 2,151	\$ 2,131	\$ (20)	\$ 2,119
Education Cost Sharing	41,657		41,657	41,613	(44)	35,554
Trans. Child - Public	406		406	432	26	434
Medicaid Coordination	140		140	102	(38)	139
Excess Student Cost Base	1,400	1,119	2,519	2,718	199	2,332
Health Serv. PA 481/Private School Health Reimbursement	230		230	259	29	248
Transportation School Child-Nonpublic	186		186	168	(18)	180
Miscellaneous State grants	34	45	79	73	(6)	107
Federal Grants:						
Housing Authority (FED-PILOT)	81		81	95	14	90
ARRA ECS GRANT						5,943
FEMA Disaster Grant		2,478	2,478	2,729	251	119
Public safety federal grants	6		6	10	4	6
Total state and federal grants	49,386	5,837	55,223	55,646	423	52,004
Charges for services:						
Copier charges	53		53	63	10	56
Code enforcement reimbursements	20		20	32	12	67
Water reimbursement fees	2		2	2		3
Foreclosure reimbursement fees	16		16	12	(4)	6
Recording fees	270		270	262	(8)	261
Real estate transfer tax	800		800	627	(173)	547
Department of Aging Services	81		81	62	(19)	102
Public safety charges for services	612	207	819	859	40	998
Animal control charges	14		14	15	1	14
Miscellaneous charges for services	18	1	19	12	(7)	20
Public works service and maps	271		271	297	26	328
Recycling permits	164		164	238	74	223
City building rentals	180		180	229	49	220
School tuition	250		250	333	83	310
Pool revenue	132		132	165	33	163
Park program	100		100	130	30	87
Total charges for services	2,983	208	3,191	3,338	147	3,405
Investment earnings:						
Interest-General Fund	100		100	169	69	146
Interest-Miscellaneous A/R	5		5	7	2	10
Total investment earnings	105		105	176	71	156
Sale of property and equipment	50		50	181	131	110

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance Over (Under)	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Other local revenue:						
Miscellaneous	\$ 10		\$ 10	\$ 143	\$ 133	\$ 152
Contributions to Youth Services				1	1	1
Contributions Interdistrict Cooperative		120	120	120		120
Library Trust Funds	14		14	16	2	16
Park Trust Funds and Gifts	360	2	362	449	87	416
Total other local revenue	384	122	506	729	223	705
Transfers in	3	1,559	1,562	1,563	1	337
Total Revenues and Other Financing Sources	\$ 170,400	\$ 8,516	\$ 178,916	180,719	\$ 1,803	\$ 175,571

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	11,125
Refunding bond issued	21,823
Premium on refunding bond issued	2,932

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

\$ 216,599

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance (Over) Under	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Government						
City Council:						
Personnel Services	\$ 58	\$	\$ 58	58	\$	\$ 58
Mayor's Office:						
Personnel Services	150	1	151	151		166
Contractual Services	57		57	53	4	55
Supplies	1		1	1		1
Total mayor's office	<u>208</u>	<u>1</u>	<u>209</u>	<u>205</u>	<u>4</u>	<u>222</u>
Probate Court:						
Contractual Services	28	(1)	27	18	9	25
Supplies	5	1	6	5	1	4
Capital Outlay						1
Total probate court	<u>33</u>	<u>-</u>	<u>33</u>	<u>23</u>	<u>10</u>	<u>30</u>
Registrar of Voters:						
Personnel Services	139	1	140	139	1	137
Contractual Services	73	(1)	72	46	26	77
Supplies	11		11	3	8	3
Capital Outlay						3
Total registrar of voters	<u>223</u>	<u>-</u>	<u>223</u>	<u>188</u>	<u>35</u>	<u>220</u>
Assessor:						
Personnel Services	361	7	368	366	2	353
Contractual Services	19		19	17	2	18
Supplies	2		2	1	1	1
Total assessor	<u>382</u>	<u>7</u>	<u>389</u>	<u>384</u>	<u>5</u>	<u>372</u>
Board of Assessment Appeals:						
Personnel Services	5		5	5		5
Total board of assessment appeals	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>
Tax Collector:						
Personnel Services	275	4	279	274	5	295
Contractual Services	82		82	71	11	68
Supplies	1		1	1		1
Capital Outlay		3	3	3		
Total tax collector	<u>358</u>	<u>7</u>	<u>365</u>	<u>349</u>	<u>16</u>	<u>364</u>
Purchasing:						
Personnel Services	167	3	170	169	1	166
Contractual Services	9		9	9		8
Total purchasing	<u>176</u>	<u>3</u>	<u>179</u>	<u>178</u>	<u>1</u>	<u>174</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012					2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Comptroller's Office:						
Personnel Services	\$ 656	\$ 3	\$ 659	\$ 645	\$ 14	\$ 646
Contractual Services	12		12	9	3	11
Supplies	2		2	2		1
Total comptroller's office	<u>670</u>	<u>3</u>	<u>673</u>	<u>656</u>	<u>17</u>	<u>658</u>
Treasurer:						
Personnel Services	109	2	111	103	8	123
Contractual Services	5		5	4	1	14
Supplies	1		1		1	1
Other/Misc.	55		55	37	18	19
Total treasurer	<u>170</u>	<u>2</u>	<u>172</u>	<u>144</u>	<u>28</u>	<u>157</u>
Information Systems:						
Personnel Services	454	46	500	488	12	456
Contractual Services	228	(5)	223	208	15	229
Supplies	30		30	24	6	20
Capital Outlay						7
Total information systems	<u>712</u>	<u>41</u>	<u>753</u>	<u>720</u>	<u>33</u>	<u>712</u>
Personnel Department:						
Personnel Services	448	3	451	450	1	448
Contractual Services	111	(5)	106	102	4	73
Purch. Professional Services	5	2	7	6	1	4
Supplies	5		5	5		3
Total personnel department	<u>569</u>	<u>-</u>	<u>569</u>	<u>563</u>	<u>6</u>	<u>528</u>
Corporation Counsel:						
Personnel Services	354		354	334	20	321
Contractual Services	152	128	280	216	64	41
Supplies	16		16	11	5	11
Total corporation counsel	<u>522</u>	<u>128</u>	<u>650</u>	<u>561</u>	<u>89</u>	<u>373</u>
City Clerk:						
Personnel Services	314		314	313	1	308
Contractual Services	79		79	70	9	71
Supplies	2		2	2		2
Total city clerk	<u>395</u>	<u>-</u>	<u>395</u>	<u>385</u>	<u>10</u>	<u>381</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012					2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Board of Finance:						
Personnel Services	\$ 1	\$	\$ 1	\$ 1	\$	\$ 1
Contractual Services	71		71	70	1	76
Total board of finance	<u>72</u>	<u>-</u>	<u>72</u>	<u>71</u>	<u>1</u>	<u>77</u>
Aging Department:						
Personnel Services	381	3	384	348	36	393
Contractual Services	137	46	183	175	8	197
Supplies	52		52	38	14	41
Total aging department	<u>570</u>	<u>49</u>	<u>619</u>	<u>561</u>	<u>58</u>	<u>631</u>
Downtown Corporation (BDDC):						
Contractual Services	70		70	70		60
Veteran's Office:						
Personnel Services	6		6	5	1	5
CCRPA:						
Contractual Services	22		22	22		22
Youth Services:						
Personnel Services	248	5	253	238	15	220
Contractual Services	122	9	131	117	14	117
Supplies	11	2	13	10	3	9
Total youth services	<u>381</u>	<u>16</u>	<u>397</u>	<u>365</u>	<u>32</u>	<u>346</u>
Interdistrict COOP:						
Personnel Services		60	60	59	1	58
Contractual Services		61	61	60	1	61
Supplies		1	1	1		2
Total interdistrict COOP	<u>-</u>	<u>122</u>	<u>122</u>	<u>120</u>	<u>2</u>	<u>121</u>
Community Promotions:						
Contractual Services	5		5	2	3	3
Other	25		25	12	13	24
Total community promotions	<u>30</u>	<u>-</u>	<u>30</u>	<u>14</u>	<u>16</u>	<u>27</u>
Charter Revision Committee:						
Personnel Services						2
Boards and Commissions						
Personnel Services	5		5	4	1	
Total general government	<u>5,637</u>	<u>379</u>	<u>6,016</u>	<u>5,651</u>	<u>365</u>	<u>5,545</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance (Over) Under	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Public Safety						
Police Department:						
Personnel Services	\$ 12,322	\$ 218	\$ 12,540	\$ 12,083	\$ 457	\$ 12,060
Contractual Services	610	(19)	591	494	97	496
Supplies	379	5	384	360	24	321
Capital Outlay	52	1	53	13	40	46
Total police department	<u>13,363</u>	<u>205</u>	<u>13,568</u>	<u>12,950</u>	<u>618</u>	<u>12,923</u>
Fire Department:						
Personnel Services	7,398	(405)	6,993	6,993		7,294
Contractual Services	220	(19)	201	200	1	209
Supplies	161	11	172	169	3	152
Capital Outlay	32	(2)	30	30		45
Total fire department	<u>7,811</u>	<u>(415)</u>	<u>7,396</u>	<u>7,392</u>	<u>4</u>	<u>7,700</u>
Animal Control:						
Personnel Services	117	1	118	118	-	118
Contractual Services	16	1	17	17	-	14
Total animal control	<u>133</u>	<u>2</u>	<u>135</u>	<u>135</u>	<u>-</u>	<u>132</u>
Emergency Management:						
Personnel Services	6		6	6		6
Contractual Services	5		5	5		5
Supplies	1	2	3	3		1
Total emergency management	<u>12</u>	<u>2</u>	<u>14</u>	<u>14</u>	<u>-</u>	<u>12</u>
Building Inspection:						
Personnel Services	447		447	447		445
Contractual Services	3	1	4	3	1	12
Supplies	7		7	7		7
Total building inspection	<u>457</u>	<u>1</u>	<u>458</u>	<u>457</u>	<u>1</u>	<u>464</u>
Total public safety	<u>21,776</u>	<u>(205)</u>	<u>21,571</u>	<u>20,948</u>	<u>623</u>	<u>21,231</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012					2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Public Works						
Administration:						
Personnel Services	\$ 323	\$ 1	\$ 324	\$ 323	\$ 1	\$ 316
Contractual Services	9	3,303	3,312	3,307	5	6
Supplies	2		2	2		2
Capital Outlay		7	7	7		
Total administration	<u>334</u>	<u>3,311</u>	<u>3,645</u>	<u>3,639</u>	<u>6</u>	<u>324</u>
Engineering:						
Personnel Services	855	(35)	820	818	2	841
Contractual Services	13	21	34	30	4	178
Supplies	3		3	2	1	3
Total engineering	<u>871</u>	<u>(14)</u>	<u>857</u>	<u>850</u>	<u>7</u>	<u>1,022</u>
Land Use:						
Personnel Services	199	(13)	186	186		193
Contractual Services	16	1	17	16	1	15
Supplies	1		1		1	1
Total land use	<u>216</u>	<u>(12)</u>	<u>204</u>	<u>202</u>	<u>2</u>	<u>209</u>
Maintenance:						
Personnel Services	477	(34)	443	443		440
Contractual Services	511	15	526	526		495
Supplies	225	(66)	159	158	1	149
Capital Outlay						(5)
Total maintenance	<u>1,213</u>	<u>(85)</u>	<u>1,128</u>	<u>1,127</u>	<u>1</u>	<u>1,079</u>
Streets Division:						
Personnel Services	1,694	(30)	1,664	1,655	9	1,509
Contractual Services	40	(4)	36	18	18	38
Supplies	160	67	227	220	7	135
Total streets division	<u>1,894</u>	<u>33</u>	<u>1,927</u>	<u>1,893</u>	<u>34</u>	<u>1,682</u>
Solid Waste Division:						
Personnel Services	1,382	63	1,445	1,433	12	1,301
Contract Services	1,401	(2)	1,399	1,340	59	1,380
Supplies	21	6	27	24	3	22
Transfer out	(1,143)		(1,143)	(1,143)		(1,161)
Total solid waste division	<u>1,661</u>	<u>67</u>	<u>1,728</u>	<u>1,654</u>	<u>74</u>	<u>1,542</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance (Over) Under	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Fleet Maintenance:						
Personnel Services	\$ 543	\$ 19	\$ 562	\$ 562	\$	\$ 536
Contractual Services	158	145	303	303		259
Supplies	803	179	982	982		849
Total fleet maintenance	<u>1,504</u>	<u>343</u>	<u>1,847</u>	<u>1,847</u>	<u>-</u>	<u>1,644</u>
Snow Removal:						
Personnel Services	254	(155)	99	83	16	266
Contractual Services	314	(191)	123	116	7	320
Supplies	311	(3)	308	299	9	663
Total snow removal	<u>879</u>	<u>(349)</u>	<u>530</u>	<u>498</u>	<u>32</u>	<u>1,249</u>
Major Road Improvements:						
Personnel Services		5	5	5	-	5
Contractual Services	1,285	(10)	1,275	1,275	-	1,086
Total major road improvements	<u>1,285</u>	<u>(5)</u>	<u>1,280</u>	<u>1,280</u>	<u>-</u>	<u>1,091</u>
Railroad Maintenance:						
Contractual Services	54	(10)	44	44		66
Other City Buildings:						
Contractual Services	67	33	100	100		56
Supplies	30	(22)	8	8		1
Capital Outlay	5		5	5		6
Total other city buildings	<u>102</u>	<u>11</u>	<u>113</u>	<u>113</u>	<u>-</u>	<u>63</u>
Composting:						
Contractual Services	81	5	86	83	3	66
Total composting	<u>81</u>	<u>5</u>	<u>86</u>	<u>83</u>	<u>3</u>	<u>66</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012					2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Perm Patch Utility Trenches:						
Contractual Services	\$	\$	\$	\$	\$	\$ 37
Public Works Fleet:						
Capital Outlay	400	(251)	149	137	12	(1)
Public Works Line Painting:						
Personnel Services	1		1		1	
Contractual Services	114		114	114		106
Total public works line painting	115	-	115	114	1	106
Street Lighting:						
Contractual Services	750	33	783	783	-	773
Total public works	11,359	3,077	14,436	14,264	172	10,952
Health and Welfare						
Community Services:						
Personnel Services	44		44	44		54
Contractual Services	17		17	9	8	10
Capital Outlay						6
Other/Miscellaneous	13		13	3	10	
Total community services	74	-	74	56	18	70
Bristol-Burlington Health:						
Contractual Services	2,497		2,497	2,497	-	2,497
Code Enforcement:						
Personnel Services						6
Contractual Services	9	(2)	7	7		
Supplies	1		1	1		
Other/Miscellaneous	10	38	48	48		30
Total code enforcement	20	36	56	56	-	36
Bristol Preschool:						
Contractual Services	6		6		6	6

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance (Over) Under	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Health/SS Outside Agencies:						
Contractual Services	\$ 64	\$	\$ 64	\$ 64	\$	\$ 61
Cemetery Upkeep:						
Purch. Prof. Services	75		75	75		70
School Readiness Program:						
Personnel Services	7	65	72	69	3	68
Contractual Service	4	2,088	2,092	2,068	24	2,059
Total school readiness program	11	2,153	2,164	2,137	27	2,127
Total health and welfare	2,747	2,189	4,936	4,885	51	4,867
Libraries						
Library:						
Personnel Services	1,428	3	1,431	1,397	34	1,357
Contractual Services	270	5	275	268	7	253
Supplies	306	26	332	296	36	318
Capital Outlay			-			10
Total libraries	2,004	34	2,038	1,961	77	1,938
Parks and Recreation						
Parks and Recreation:						
Personnel Services	1,693	18	1,711	1,711		1,565
Contractual Services	338	75	413	394	19	325
Employee Benefits						60
Supplies	219	32	251	251		241
Capital Outlay	2		2	2		5
Other/Miscellaneous	3	4	7	7		2
General Insurance	25		25	24	1	21
OP - Transfer Out						(61)
Total parks and recreation	2,280	129	2,409	2,389	20	2,158
Employee Benefits and Pension						
Employee benefits and pension:						
Heart and Hypertension Police	700	(23)	677	636	41	545
Employee Benefits	1,425	736	2,161	2,141	20	2,495
Other Post Employment Benefits	185	900	1,085	1,085		1,353
Total employee benefits and pension	2,310	1,613	3,923	3,862	61	4,393

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2011
(In Thousands)**

	2012				Variance (Over) Under	2011 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Insurance						
General Insurance	\$ 588	\$ 472	\$ 1,060	\$ 967	\$ 93	\$ 465
Miscellaneous						
Miscellaneous:						
All Other Costs and Fees	3,432	(1,289)	2,143	1,007	1,136	1,183
Public Buildings	150		150	150		95
Total miscellaneous	<u>3,582</u>	<u>(1,289)</u>	<u>2,293</u>	<u>1,157</u>	<u>1,136</u>	<u>1,278</u>
Education						
Board of Education:						
Personnel Services	61,487	(268)	61,219	61,202	17	63,054
Employee Benefits	15,818	1,656	17,474	17,473	1	15,827
Contractual Services	10,519	(88)	10,431	10,409	22	5,887
Supplies and Materials	11,648	717	12,365	12,296	69	15,596
Capital Outlay	139	436	575	575		969
All Other	45	(35)	10	10		26
General Insurance	471	(59)	412	409	3	417
Transfer to Internal Service and Other		(13,051)	(13,051)	(13,051)		(13,512)
Operating Transfers Out		200	200	200		169
Total Board of Education	<u>100,127</u>	<u>(10,492)</u>	<u>89,635</u>	<u>89,523</u>	<u>112</u>	<u>88,433</u>
Transfers to other funds:						
Special Revenue	1,625	1,412	3,037	3,037		4,803
Debt Service	6,838		6,838	6,646	192	6,244
Capital Projects	545	933	1,478	1,416	62	200
Internal Service	9,732	13,051	22,783	22,783		23,073
Total transfers to other funds	<u>18,740</u>	<u>15,396</u>	<u>34,136</u>	<u>33,882</u>	<u>254</u>	<u>34,320</u>
Total	\$ <u>171,150</u>	\$ <u>11,303</u>	\$ <u>182,453</u>	179,489	\$ <u>2,964</u>	\$ <u>175,580</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for City teachers are not budgeted	11,125
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes but in the year received for financial reporting purposes	237
Payment to refunding bond escrow agent	24,569
Refunding bonds cost of issuance	<u>186</u>

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

\$ 215,606

**Combining and Individual
Fund Statements and Schedules**

General Fund

GENERAL FUND

The General Fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

This fund is administered in accordance with Section 25 of the City Charter. The Board of Finance and Joint Board (Board of Finance and City Council meeting jointly) have final approval over the authorizations of budgetary appropriations and any revisions to the approved budget. The Charter mandates that funding deficits, operating deficiencies or operating surpluses have priority consideration when the succeeding budget is formulated. The Board of Finance, through its agent, the Comptroller's office, controls the collection and disbursement of funds and has the legal authority to initiate audits. All assets of this fund belong to the City of Bristol. The authority for the levy of property taxes resides with the Joint Board. The City Council has the power to apply for and accept grants from other agencies and to establish and/or change the imposition of charges (fees) for the delivery of services.

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND
COMPARATIVE BALANCE SHEET

JUNE 30, 2012 AND 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 38,886	\$ 40,035
Receivables:		
Taxes, net of allowance for uncollectible amounts of \$300 in 2012 and 2011	2,432	2,168
Interest receivable	1,423	1,392
Other, net of allowance for uncollectible amounts of \$10 in 2012 and 2011	238	211
Due from other funds	611	442
Due from other governments	4,137	215
Other assets	<u>2</u>	<u>10</u>
Total Assets	<u>\$ 47,729</u>	<u>\$ 44,473</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 5,116	\$ 4,176
Accrued liabilities	9,128	8,339
Due to other funds	155	33
Deferred revenue	<u>3,900</u>	<u>3,488</u>
Total liabilities	<u>18,299</u>	<u>16,036</u>
Fund balance:		
Nonspendable	2	10
Committed	3,848	4,975
Assigned	1,617	2,008
Unassigned	<u>23,963</u>	<u>21,444</u>
Total fund balance	<u>29,430</u>	<u>28,437</u>
Total Liabilities and Fund Balance	<u>\$ 47,729</u>	<u>\$ 44,473</u>

CITY OF BRISTOL, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

Grand List	Uncollected Taxes July 1, 2011	Lawful Corrections		Transfers to Suspense	Suspense Items Collected	Tax Abatements	Other Adjustments	Net Amount Collectible	Collections				Uncollected Taxes June 30, 2012
		Additions	Deductions						Taxes	Interest	Lien Fees	Total	
2010	\$ 117,214	\$ 275	\$ 464	\$ 11	\$ 7	\$ 11	\$ 11	\$ 117,021	\$ 115,615	\$ 423	\$	\$ 116,038	\$ 1,406
2009	1,316	8	27	25	87	2	3	1,360	933	162		1,095	427
2008	428	6	7		12	1		438	146	41	4	191	292
2007	102		7	5	24	1	1	114	40	21	5	66	74
2006	66				17			83	18	14	2	34	65
2005	59				16			75	16	16	3	35	59
2004	41				12			53	13	9	2	24	40
2003	38				5			43	5	6	1	12	38
2002	35				5			40	5	1	1	7	35
2001	41				3			44	3	5	1	9	41
2000	38				3			41	3	5	1	9	38
1999	37				4			41	4	6	1	11	37
1998	38				4		(1)	41	3	8	1	12	38
1997	72				3		(3)	72		6		6	72
1996	70				1		(1)	70		4	1	5	70
Total	\$ 119,595	\$ 289	\$ 505	\$ 41	\$ 203	\$ 15	\$ 10	\$ 119,536	116,804	727	23	117,554	\$ 2,732
Property taxes receivable considered available:													
June 30, 2011									(341)			(341)	
June 30, 2012									305			305	
Total Property Tax Revenue (RSI-1)									\$ 116,768	\$ 727	\$ 23	\$ 117,518	

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**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. A summary of the Special Revenue Funds is presented below:

Fund	Funding Source	Function
Equipment and Building Sinking	Federal, State and local	Equipment and building purchases
Community Development Act	Federal grants	Community development programs
Special Grants and Donations	Federal, State and local grants	Administration of miscellaneous grants
Special Education Grant	Federal and State grants	Education Grant Programs
Bristol School Lunch Program	Sale of food, State and Federal grants	Operation of the school cafeterias
Manross Memorial Library	Donations	Support of the City Library Board
Sewer Operating and Assessment	Charges for services	Operations of the sanitary sewer system
Solid Waste Disposal	Charges for services	Operation of the City's solid waste disposal program
Police Department Drug Forfeiture	Sale of assets and Federal grants	Account for monies received from sale of assets acquired during drug related arrests
Pine Lake Challenge Course	Licenses and permits	Recreational facility used by outside groups
LOCIP Projects	State grants	Activity of all the LOCIP Projects
Student Activity	Charges for services	Operations of the Adult Education, Summer School and Driver Education programs
Open Space	Donations	Procurement of Land
Centre Mall	Rent/leases	Operation of Centre Mall
Pardee Fund #1	Sarah Norton Pardee Trust Fund	Cemetery maintenance
Pardee Fund #2	Sarah Norton Pardee Trust Fund	Support of those requiring public aid
Reserve Fund for Depreciation for Page Park Swimming Pool	Donations	Maintenance of the Page Park Swimming Pool

Permanent Funds

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

Fund	Funding Source	Function
Sarah Norton Pardee Trust	Will of Sarah Norton Pardee	The upkeep of City cemeteries and the support of those requiring public aid
Mary J. Atwood Trust	Will of Mary J. Atwood	For the benefit of needy pupils of the Bristol High School
Storm Water Control Trust	Donations	Perpetual maintenance and management of storm water control problem areas
Lake Avenue Cemetery Trust	Donations	To upkeep Lake Avenue Cemetery

CITY OF BRISTOL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2012

(In Thousands)

	Special Revenue Funds							
	Equipment and Building Sinking	Community Development Act	Special Grants and Donations	Special Education Grant	Bristol School Lunch Program	Manross Memorial Library	Sewer Operating and Assessment	Solid Waste Disposal
ASSETS								
Cash and cash equivalents	\$ 2,561	\$ 863	\$ 1,534	\$ 937	\$	\$ 551	\$ 3,562	\$ 251
Investments								
Accounts receivable							280	241
Assessment receivable							572	
Due from other funds			19	185				
Due from other governments		44	81	54	297			
Inventory					43			
Total Assets	<u>\$ 2,561</u>	<u>\$ 907</u>	<u>\$ 1,634</u>	<u>\$ 1,176</u>	<u>\$ 340</u>	<u>\$ 551</u>	<u>\$ 4,414</u>	<u>\$ 492</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 72	\$ 40	\$ 100	\$ 27	\$	\$ 15	\$ 191	\$ 249
Contracts payable - retainage						15		
Accrued liabilities		9	34	783	58		26	
Due to other funds		7	1	249	238		30	
Due to other governments				15				
Deferred revenue			20	102			836	13
Total liabilities	<u>72</u>	<u>56</u>	<u>155</u>	<u>1,176</u>	<u>296</u>	<u>30</u>	<u>1,083</u>	<u>262</u>
Fund Balances:								
Nonspendable					43			
Restricted		732	1,479					
Committed	2,489	119			1	521	3,211	230
Assigned							120	
Unassigned								
Total fund balances	<u>2,489</u>	<u>851</u>	<u>1,479</u>	<u>-</u>	<u>44</u>	<u>521</u>	<u>3,331</u>	<u>230</u>
Total Liabilities and Fund Balances	<u>\$ 2,561</u>	<u>\$ 907</u>	<u>\$ 1,634</u>	<u>\$ 1,176</u>	<u>\$ 340</u>	<u>\$ 551</u>	<u>\$ 4,414</u>	<u>\$ 492</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2012
(In Thousands)

	<u>Special Revenue Funds</u>							
	<u>Police Department Drug Forfeiture</u>	<u>Pine Lake Challenge Course</u>	<u>LOCIP Projects</u>	<u>Student Activity</u>	<u>Open Space</u>	<u>Centre Mall</u>	<u>Pardee Fund #1</u>	<u>Pardee Fund #2</u>
ASSETS								
Cash and cash equivalents	\$ 155	\$ 101	\$	\$ 817	\$ 4	\$ 438	\$ 41	\$ 1
Investments								
Accounts receivable		54						
Assessment receivable								
Due from other funds								
Due from other governments			147					
Inventory								
Total Assets	<u>\$ 155</u>	<u>\$ 155</u>	<u>\$ 147</u>	<u>\$ 817</u>	<u>\$ 4</u>	<u>\$ 438</u>	<u>\$ 41</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 2	\$	\$ 1	\$	\$	\$ 1	\$	\$
Contracts payable - retainage			21					
Accrued liabilities		7		5				
Due to other funds			143	30				
Due to other governments								
Deferred revenue						9		
Total liabilities	<u>2</u>	<u>7</u>	<u>165</u>	<u>35</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted	153							
Committed		148		782	4	428	41	1
Assigned								
Unassigned			(18)					
Total fund balances	<u>153</u>	<u>148</u>	<u>(18)</u>	<u>782</u>	<u>4</u>	<u>428</u>	<u>41</u>	<u>1</u>
Total Liabilities and Fund Balances	<u>\$ 155</u>	<u>\$ 155</u>	<u>\$ 147</u>	<u>\$ 817</u>	<u>\$ 4</u>	<u>\$ 438</u>	<u>\$ 41</u>	<u>\$ 1</u>

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CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2012
(In Thousands)

	Special Revenue Funds		Permanent Funds					Interfund Eliminations	Total Nonmajor Governmental Funds
	Reserve Fund for Depreciation for Page Park Swimming Pool	Total	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total		
ASSETS									
Cash and cash equivalents	\$ 241	\$ 12,057	\$ 8	\$ 1	\$	35	\$ 44	\$	\$ 12,101
Investments		-			603		603		603
Accounts receivable		575					-		575
Assessment receivable		572					-		572
Due from other funds		204					-	(49)	155
Due from other governments		623					-		623
Inventory		43					-		43
Total Assets	<u>\$ 241</u>	<u>\$ 14,074</u>	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ 603</u>	<u>35</u>	<u>\$ 647</u>	<u>(49)</u>	<u>\$ 14,672</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$	\$ 698	\$	\$	\$	\$	\$ -	\$	\$ 698
Contracts payable - retainage		36					-		36
Accrued liabilities		922					-		922
Due to other funds		698					-	(49)	649
Due to other governments		15					-		15
Deferred revenue		980					-		980
Total liabilities		<u>3,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49)</u>	<u>3,300</u>
Fund Balances:									
Nonspendable		43	8	1	603	35	647		690
Restricted		2,364					-		2,364
Committed	241	8,216					-		8,216
Assigned		120					-		120
Unassigned		(18)					-		(18)
Total fund balances		<u>10,725</u>	<u>8</u>	<u>1</u>	<u>603</u>	<u>35</u>	<u>647</u>	<u>-</u>	<u>11,372</u>
Total Liabilities and Fund Balances	<u>\$ 241</u>	<u>\$ 14,074</u>	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ 603</u>	<u>35</u>	<u>\$ 647</u>	<u>(49)</u>	<u>\$ 14,672</u>

CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

	Special Revenue Funds							
	Equipment and Building Sinking	Community Development Act	Special Grants and Donations	Special Education Grant	Bristol School Lunch Program	Manross Memorial Library	Sewer Operating and Assessment	Solid Waste Disposal
Revenues:								
Sewer assessments, interest and liens	\$	\$	\$	\$	\$	\$	\$ 7	\$
Licenses and permit			431				4,985	86
Intergovernmental		729	1,049	7,653	1,820			
Charges for services			112		1,295		21	1,398
Investment earnings	7	2				2	10	2
Net appreciation in the fair market value of investments								
Contribution			594					
Miscellaneous			5			45	104	102
Total revenues	<u>7</u>	<u>731</u>	<u>2,191</u>	<u>7,653</u>	<u>3,115</u>	<u>47</u>	<u>5,127</u>	<u>1,588</u>
Expenditures:								
General government	89	838	396					
Public safety	442		182					
Public works	1,127		11				3,291	2,782
Health and welfare		190	1,025					
Libraries			1			343		
Parks and recreation	76		84					
Education			472	7,264	2,801			
Total expenditures	<u>1,734</u>	<u>1,028</u>	<u>2,171</u>	<u>7,264</u>	<u>2,801</u>	<u>343</u>	<u>3,291</u>	<u>2,782</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,727)</u>	<u>(297)</u>	<u>20</u>	<u>389</u>	<u>314</u>	<u>(296)</u>	<u>1,836</u>	<u>(1,194)</u>
Other Financing Sources (Uses):								
Transfers in	1,370	843	281		100			1,143
Transfers out	(1,559)	(90)	(85)	(389)	(455)		(1,865)	
Total other financing sources (uses)	<u>(189)</u>	<u>753</u>	<u>196</u>	<u>(389)</u>	<u>(355)</u>	<u>-</u>	<u>(1,865)</u>	<u>1,143</u>
Net Change in Fund Balances	(1,916)	456	216	-	(41)	(296)	(29)	(51)
Fund Balance Beginning of Year	<u>4,405</u>	<u>395</u>	<u>1,263</u>	<u>-</u>	<u>85</u>	<u>817</u>	<u>3,360</u>	<u>281</u>
Fund Balance End of Year	<u>\$ 2,489</u>	<u>\$ 851</u>	<u>\$ 1,479</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 521</u>	<u>\$ 3,331</u>	<u>\$ 230</u>

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CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

	Special Revenue Funds							
	Police Department Drug Forfeiture	Pine Lake Challenge Course	LOCIP Projects	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2
Revenues:								
Sewer assessments, interest and liens	\$	\$	\$	\$	\$	\$	\$	\$
Licenses and permit		144		169				
Intergovernmental	58		915					
Charges for services						86		
Investment earnings				2		1		
Net appreciation in the fair market value of investments								
Contribution				55				
Miscellaneous	2							
Total revenues	<u>60</u>	<u>144</u>	<u>915</u>	<u>226</u>	<u>-</u>	<u>87</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government		141				15		
Public safety	27							
Public works			714					
Health and welfare								
Libraries								
Parks and recreation			276					
Education				183				
Total expenditures	<u>27</u>	<u>141</u>	<u>990</u>	<u>183</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>33</u>	<u>3</u>	<u>(75)</u>	<u>43</u>	<u>-</u>	<u>72</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out								
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	33	3	(75)	43	-	72	-	-
Fund Balance Beginning of Year	<u>120</u>	<u>145</u>	<u>57</u>	<u>739</u>	<u>4</u>	<u>356</u>	<u>41</u>	<u>1</u>
Fund Balance End of Year	<u>\$ 153</u>	<u>\$ 148</u>	<u>\$ (18)</u>	<u>\$ 782</u>	<u>\$ 4</u>	<u>\$ 428</u>	<u>\$ 41</u>	<u>\$ 1</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

	Special Revenue Funds		Permanent Funds					Interfund Eliminations	Total Nonmajor Governmental Funds
	Reserve Fund for Depreciation for Page Park Swimming Pool	Total	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total		
Revenues:									
Sewer assessments, interest and liens	\$	\$ 7	\$	\$	\$	\$	\$ -	\$	\$ 7
Licenses and permit		5,815					-		5,815
Intergovernmental		12,224					-		12,224
Charges for services		2,912					-		2,912
Investment earnings		26			14		14		40
Net appreciation in the fair market value of investments					20		20		20
Contribution		649			121		121		770
Miscellaneous	23	281					-		281
Total revenues	<u>23</u>	<u>21,914</u>	<u>-</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>22,069</u>
Expenditures:									
General government		1,479					-		1,479
Public safety		651					-		651
Public works		7,925					-		7,925
Health and welfare		1,215					-		1,215
Libraries		344					-		344
Parks and recreation		436					-		436
Education		10,720					-		10,720
Total expenditures	<u>-</u>	<u>22,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,770</u>
Excess (Deficiency) of Revenues over Expenditures	<u>23</u>	<u>(856)</u>	<u>-</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>(701)</u>
Other Financing Sources (Uses):									
Transfers in		3,737					-		3,737
Transfers out		(4,443)					-		(4,443)
Total other financing sources (uses)	<u>-</u>	<u>(706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(706)</u>
Net Change in Fund Balances	23	(1,562)	-	-	155	-	155	-	(1,407)
Fund Balance Beginning of Year	<u>218</u>	<u>12,287</u>	<u>8</u>	<u>1</u>	<u>448</u>	<u>35</u>	<u>492</u>	<u>-</u>	<u>12,779</u>
Fund Balance End of Year	<u>\$ 241</u>	<u>\$ 10,725</u>	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ 603</u>	<u>\$ 35</u>	<u>\$ 647</u>	<u>\$ -</u>	<u>\$ 11,372</u>

**Capital
Projects Fund**

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds).

CITY OF BRISTOL, CONNECTICUT

CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

Fiscal Year	Dept	Project Name	Amended Budget	Expended Current Year	Total All Years	Open Purchase Orders	Total Expended	Project Balance
Schools - Fund 301:								
2004	BOE	Ivy Drive Code Alterations	\$ 14,649	\$ (81)	\$ 14,734	\$	\$ 14,734	\$ (85)
2005	BOE	Jennings School Roof	600		452		452	148
2005	BOE	O'Connell School	800					800
2001	BOE	Mountain View Code Update	14,538		14,537		14,537	1
2001	BOE	South Side Code Update	800		812		812	(12)
1998	BOE	Bristol Central HS Renovations	18,000		18,303		18,303	(303)
1998	BOE	Bristol Eastern HS Renovations	21,200		21,373		21,373	(173)
1998	BOE	Bristol Eastern HS Roof Replacement	1,500		1,540		1,540	(40)
2006	BOE	Memorial Boulevard Roof	550		768		768	(218)
2007	BOE	Forestville K-8 School	53,000	23,204	33,319	9,509	42,828	10,172
2007	BOE	West Bristol K-8 School	52,000	22,454	32,442	8,433	40,875	11,125
2007	BOE	Parapet Walls	200		200		200	-
2009	BOE	BEHS Track Replacement	385		362		362	23
		Total Schools - Fund 301	178,222	45,577	138,842	17,942	156,784	21,438
Capital Projects - Fund 302:								
2002	City Hall	ADA Upgrades	303		299		299	4
2007	Police	City Traffic Control Signal Upgrade	458		286		286	172
2008	Fire	E4 Architectural Study	400		19		19	381
2000	PW Streets	East Rd. Intersection Improvements	290		270	15	285	5
2002	PW Streets	Perkins St. Reconstruction Part 1	2,300		2,300		2,300	-
2003	PW Streets	Milton & Westwoods Terrace Sidewalks	310		27	3	30	280
2006	PW Streets	Sediment Control Cedar Lake	240	2	160		160	80
2007	PW Streets	South Street Widening	80		30		30	50
2007	PW Streets	Realignment-Union, South & Church Streets	610	48	298	111	409	201
2008	PW Streets	Reconstruction of Waterbury Road	67	1	67		67	-
2008	PW Streets	Citywide - Roadside Barrier	510	18	366	22	388	122
2008	PW Streets	Frederick Street/ Coppermine Realignment	81	5	68	13	81	-
2008	PW Streets	Sediment Structures - Pequabuck River	20					20
2009	PW Streets	Allentown Road Reconstruction	1,100	1	586		586	514
2007	PW Solid Waste	Transfer Station Upgrades	100	36	81	18	99	1
2009	PW Solid Waste	Transfer Station Improvements	177	101	160	10	170	7
2007	PW Garage	Public Works Garage Rehabilitation	120		50		50	70
2008	PW Land Use	West End Planning Study	80		80		80	-
	PW C.I.	Contingency-Bridge Control	383					383
2002	BDA	Downtown Revitalization Phase 1	3,624	379	3,479	34	3,513	111
2005	BDA	Downtown Revitalization Phase 2	7,639	16	7,518		7,518	121
2008	BDA	Main Street Streetscapes	1,597	692	1,559	60	1,619	(22)
2009	BDA	Downtown Parking Feasibility	920	678	718	200	918	2
2008	BDDC	Mall Demolition/Abatement	3,500	90	1,246	88	1,334	2,166
2005	Parks&Rec.	Memorial Boulevard Parking Enhancements	150	44	105		105	45
2005	Parks&Rec.	Revitalization of Public Parks	780		780		780	-
2006	Parks&Rec.	E.G. Stocks Revitalization	1,250	38	1,250		1,250	-
2008	Parks&Rec.	Rockwell Park Historic Bldg. Grant	205		139	26	165	40
2008	Parks&Rec.	Rockwell Park Rehab	7,000	152	6,968		6,968	32
2008	Parks&Rec.	Casey Field Upgrades	491	491	491		491	-
2009	Parks&Rec.	Page Pool Improvements	80		56		56	24
2006	MIS	Fiberoptics	1,300	115	969	1	970	330
2008	MIS	GIS System	640	21	376	28	404	236
2010	PW Streets	Mix Street Phase II	1,400	33	727		727	673
2010	Aging	Senior Center Utility Upgrades	4,541	1,941	2,059	2,256	4,315	226
2010	PW Streets	Marsh Road Reconstruction	507	1	507	1	508	(1)
2010	PW Streets	Frederick Street Channel Improvements	100	4	4		4	96
2010	PW Streets	Richard Court Berm/Channel	42			42	42	-
2010	Parks&Rec.	Rockwell Hiker & WWII Cannon Repair	23		23		23	-
2010	Parks&Rec.	Miscellaneous Page Park Improvements	10	4	10		10	-
2011	Parks&Rec.	Page Park Main Drain	20		18		18	2
2011	PD Communic.	CAD Records Management Update	500	39	491		491	9
2011	PD Communic.	Radio System Z Release	243		243		243	-
2011	PW Streets	Mix Street Phase II	11		11		11	-
2011	PW Streets	Witches Rock Road Reconstruction	1,090	620	623	434	1,057	33
2011	PW Streets	Willis St Reconstruction Phase II	910	1	1		1	909

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT

CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

<u>Fiscal Year</u>	<u>Dept</u>	<u>Project Name</u>	<u>Amended Budget</u>	<u>Expended Current Year</u>	<u>Total All Years</u>	<u>Open Purchase Orders</u>	<u>Total Expended</u>	<u>Project Balance</u>
2011	PW Streets	Fall Mountain Road Reconstruction	\$ 700	\$ 617	\$ 620	\$ 11	\$ 631	\$ 69
2011	PW Solid Waste	Single Stream Recycling Program	1,300	699	1,137		1,137	163
2011	PW Major Bridge	Major Bridge Repairs	380	22	22		22	358
2012	Parks&Rec.	Rockwell Park Wall Stabilization	680	41	41	27	68	612
2012	Parks&Rec.	Misc. Page Park Improvements	10	1	1		1	9
2012	PW Engineering	Roadway Pavement Analysis	120					120
2012	PW Engineering	Jacobs St. Bank Stabilization	8	8	8		8	-
2012	PW Streets	Hillside Place Intersection Reconstruction	440					440
2012	PW Streets	Farrell Ave. Reconstruction	343	193	193	171	364	(21)
		Total Capital Projects - Fund 302	<u>50,183</u>	<u>7,152</u>	<u>37,540</u>	<u>3,571</u>	<u>41,111</u>	<u>9,072</u>
		Reserve for CNR - Fund 305:						
1991	CDBG	SE Mini-Industrial Park Project	5,002	77	4,919	2	4,921	81
2002	CDBG	SE Mini-Industrial Park Grant Phase II	3,102	50	3,030		3,030	72
1996	Landfill	Landfill Engineering Costs	1,181	2	926	1	927	254
1996	Landfill	Acq. Of Landfill Groundwater Rights	280		280		280	-
2002	Landfill	Landfill BRRFOC	3,357		1,761		1,761	1,596
2007	Landfill	Landfill Damage	380		178	16	194	186
1999	Recreation	Dredging/Birge Pond/Pine Lake	988		965		965	23
1997	Streets	Sidewalk Pilot Program	100		91		91	9
2006	Railroad	Railroad Spur Update	286		254		254	32
2008	Misc	Cemetery Restoration	11					11
2011	Comptroller's	CL&P Streetlight Refund			20		20	(20)
2012	BOE	Charts of Accounts/MUNIS Reconfig	45					45
2012	BOE	MUNIS Training	55					55
2012	Public Works	Pequabuck Wooded Debris Removal	49	49	49		49	-
2012	Public Works	Berm Repair - Blvd.	82	85	85		85	(3)
2012	Public Works	Broad St. Sediment	193	189	189	4	193	-
2012	Public Works	Jacobs St. Bank Stabilization	206	212	212		212	(6)
2012	Public Works	Memorial Blvd. Retaining Walls	44					44
2012	Public Works	Terryville Rd. Bank Stabilization	214	13	13	17	30	184
2012	Assessor	Revaluation	383	46	46	148	194	189
		Total Reserve for CNR - Fund 305	<u>15,958</u>	<u>723</u>	<u>13,018</u>	<u>188</u>	<u>13,206</u>	<u>2,752</u>
		Capital and Nonrecurring Fund 126:						
2001	WPC	Infiltration/Inflow Phase II	3,644	89	2,820		2,820	824
2001	WPC	Infiltration/Inflow Phase III	3,669	90	2,722		2,722	947
2002	WPC	Infiltration/Inflow Phase IV	1,673	42	1,199		1,199	474
2002	WPC	Denitrification Phase I	1,281	29	890		890	391
1999	WPC	99 CIP I/I Phase I	3,501	85	2,738		2,738	763
2007	WPC	Broad St. Sanitary Flow	400	1	351		351	49
2007	WPC	Broad St. Pump Station	600	284	599	1	600	-
2008	WPC	Broad St. I/I Study Phase II	600	100	568	26	594	6
2008	WPC	Broad St. Force Main Replacement	100		1		1	99
2008	WPC	SSO - Forcemain - Middle Street	340		300		300	40
2009	WPC	Forestville Reduction Relief Force	5,460	250	2,383	387	2,770	2,690
2009	WPC	Forestville SS Engineering	875		762		762	113
2010	WPC	Submersible Sewage Pump	76		72		72	4
2010	WPC	Broad Street Pump Station Upgrades	1,420	298	381	171	552	868
2011	WPC	Sewer System Rehab Broad St	1,500	948	950	40	990	510
2011	WPC	Phosphorus Removal Upgrade	1,250					1,250
2012	WPC	Redstone Hill sanitary Sewer Replacement	170	100	100	40	140	30
		Total Capital and Nonrecurring - Fund 126	<u>26,559</u>	<u>2,316</u>	<u>16,836</u>	<u>665</u>	<u>17,501</u>	<u>9,058</u>
		Total	<u>\$ 270,922</u>	<u>\$ 55,768</u>	<u>\$ 206,236</u>	<u>\$ 22,366</u>	<u>\$ 228,602</u>	<u>\$ 42,320</u>

Enterprise Funds

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Water Enterprise Fund is the City's only enterprise fund.

CITY OF BRISTOL, CONNECTICUT

WATER ENTERPRISE FUND
COMPARATIVE BALANCE SHEET

JUNE 30, 2012 AND 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 1,250	\$ 771
Investments	3,659	3,989
Due from other funds		813
Receivables, net	1,256	1,183
Inventories	251	159
Other assets	52	
Total current assets	<u>6,468</u>	<u>6,915</u>
Noncurrent assets:		
Deferred debits	26	14
Capital assets:		
Assets not being depreciated	2,754	2,722
Assets being depreciated, net	21,940	22,247
Total noncurrent assets	<u>24,720</u>	<u>24,983</u>
Total Assets	<u>31,188</u>	<u>31,898</u>
Liabilities:		
Current liabilities:		
Accounts and other payables	449	411
Payroll liabilities	61	29
Customer deposits	731	736
Deferred credits	21	21
Compensated absences - current	62	51
Bonds payable - current	605	549
Total current liabilities	<u>1,929</u>	<u>1,797</u>
Noncurrent liabilities:		
Compensated absences	360	367
Bonds payable	4,118	4,714
Total noncurrent liabilities	<u>4,478</u>	<u>5,081</u>
Total Liabilities	<u>6,407</u>	<u>6,878</u>
Net Assets:		
Invested in capital assets, net of related debt	19,971	19,706
Unrestricted	4,810	5,314
Total Net Assets	<u>\$ 24,781</u>	<u>\$ 25,020</u>

CITY OF BRISTOL, CONNECTICUT

WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

(In thousands)

	<u>2012</u>	<u>2011</u>
Operating Revenues:		
Charges for services	\$ 6,583	\$ 6,097
Miscellaneous operating revenue	255	230
Total operating revenues	<u>6,838</u>	<u>6,327</u>
Operating Expenses:		
Source of supply	194	18
Pumping	291	329
Purification	1,127	1,023
Transmission and distribution	1,837	1,580
Customer accounts, administrative and general	2,031	2,129
Depreciation	860	843
Taxes other than income taxes	281	355
Total operating expenses	<u>6,621</u>	<u>6,277</u>
Operating Income (Loss)	<u>217</u>	<u>50</u>
Nonoperating Revenues (Expenses):		
Income (loss) on investments	(329)	949
Interest expense	(141)	(247)
Loss on disposal	(7)	
Amortization of debt discount and expense	(6)	(5)
Total nonoperating revenues (expenses)	<u>(483)</u>	<u>697</u>
Income (loss) before contributions	(266)	747
Capital contributions	<u>27</u>	<u>8</u>
Change in Net Assets	(239)	755
Net Assets at Beginning of Year	<u>25,020</u>	<u>24,265</u>
Net Assets at End of Year	<u>\$ 24,781</u>	<u>\$ 25,020</u>

CITY OF BRISTOL

**WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS**

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

(In thousands)

	2012	2011
Cash Flows from Operating Activities:		
Cash received from charges for services	\$ 6,764	\$ 6,212
Cash paid to employees	(2,064)	(2,102)
Cash paid to suppliers	(3,722)	(3,293)
Deposits received from customers	(5)	59
Net cash provided by operating activities	973	876
Cash Flows from Capital and Related Financing Activities:		
Purchase of fixed assets/utility plant	(585)	(146)
Issuance of bonds and notes	2,112	
Principal payments bonds/notes	(2,756)	(549)
Interest payments and issuance costs	(141)	(247)
Net cash used in capital and related financing activities	(1,370)	(942)
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments	876	426
Net cash provided by investing activities	876	426
Net Increase in Cash and Cash Equivalents	479	360
Cash and Cash Equivalents at Beginning of Year	771	411
Cash and Cash Equivalents at End of Year	\$ 1,250	\$ 771
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 217	\$ 50
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	860	843
(Increase) decrease in customer accounts receivable	(91)	(119)
Increase (decrease) in provision for uncollectible accounts	18	4
(Increase) decrease in inventory	(92)	21
(Increase) decrease in other assets		
Increase (decrease) in vouchers payable	30	82
Increase (decrease) in payroll liabilities	32	(68)
Increase (decrease) in accrued compensated absences	4	4
Increase (decrease) in customer deposits	(5)	59
Total adjustments	756	826
Net Cash Provided by Operating Activities	\$ 973	\$ 876
Noncash investing and capital activities:		
Capital contributions	\$ 27	\$ 8

Internal Service Funds

INTERNAL SERVICE FUNDS

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

Health Benefit and Workers Compensation Fund - to provide reserves necessary to support an insurance program health benefits and workmen's compensation claims.

CITY OF BRISTOL, CONNECTICUT

INTERNAL SERVICE FUNDS
COMPARATIVE BALANCE SHEET

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 15,896	\$ 16,882
Accounts receivable	111	49
Due from other funds	<u>930</u>	<u>7</u>
Total Assets	<u>\$ 16,937</u>	<u>\$ 16,938</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 4	\$ 8
Unpaid claims	12,143	10,015
Deferred revenues	<u>56</u>	<u>6</u>
Total liabilities	12,203	10,029
Fund Equity:		
Net assets:		
Unrestricted	<u>4,734</u>	<u>6,909</u>
Total Liabilities and Fund Equity	<u>\$ 16,937</u>	<u>\$ 16,938</u>

CITY OF BRISTOL, CONNECTICUT

INTERNAL SERVICE FUNDS

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Charges for services	\$ 7,115	\$ 6,044
Contributions	49	149
Other	655	419
Total operating revenues	<u>7,819</u>	<u>6,612</u>
Operating expenses:		
Insurance claims, premiums and fees	<u>34,208</u>	<u>28,857</u>
Operating loss	(26,389)	(22,245)
Nonoperating revenues:		
Revenues from use of money	<u>36</u>	<u>38</u>
Loss before transfers	(26,353)	(22,207)
Transfers in	<u>24,178</u>	<u>24,552</u>
Change in Net Assets	(2,175)	2,345
Net Assets at Beginning of Year	<u>6,909</u>	<u>4,564</u>
Net Assets at End of Year	<u>\$ 4,734</u>	<u>\$ 6,909</u>

CITY OF BRISTOL, CONNECTICUT

INTERNAL SERVICE FUNDS
COMPARATIVE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Cash received from charges for services	\$ 6,259	\$ 6,059
Cash received from other operating revenue	655	568
Cash payments for claims paid	(32,083)	(27,674)
Net cash used in operating activities	<u>(25,169)</u>	<u>(21,047)</u>
Cash Flows from Noncapital Financing Activities:		
Cash received from other funds	<u>24,147</u>	<u>24,552</u>
Cash Flows from Investing Activities:		
Interest income	<u>36</u>	<u>38</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(986)	3,543
Cash and Cash Equivalents at Beginning of Year	<u>16,882</u>	<u>13,339</u>
Cash and Cash Equivalents at End of Year	<u>\$ 15,896</u>	<u>\$ 16,882</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating loss	\$ <u>(26,389)</u>	\$ <u>(22,245)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
(Increase) decrease in due from other funds	(892)	41
(Increase) decrease in accounts receivable	(62)	73
Increase (decrease) in accounts payable	(4)	8
Increase (decrease) in unpaid claims	2,128	1,169
Increase (decrease) in due to other funds		(99)
Increase (decrease) in deferred revenues	<u>50</u>	<u>6</u>
Total adjustments	<u>1,220</u>	<u>1,198</u>
Net Cash Used in Operating Activities	<u>\$ (25,169)</u>	<u>\$ (21,047)</u>

Fiduciary Funds

FIDUCIARY FUNDS

Pension Trust Fund

Retirement System Fund - to account for the accumulation of resources to be used for retirement payments in accordance with retirement ordinance computations and times in the future. This fund covers all full-time City employees and noncertified members of the Board of Education. (Certified teachers are included under a State of Connecticut Pension Plan.) Resources are contributed by employees at rates determined by ordinance, by bargaining unit working agreements and by the City at amounts calculated by annual actuarial evaluations.

Firefighters' Benefit Fund - to account for the accumulation of resources to be used for retirement payments in accordance with contract amounts and times in the future. This fund covers all full-time firefighters. Resources are contributed by employees at rates determined by contract and by the City at amounts calculated by annual actuarial evaluations.

Police Benefit Fund - to account for the accumulation of resources to be used for retirement payments in accordance with contract amounts and times in the future. This fund covers all full-time police officers. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by annual actuarial evaluations.

Agency Funds

Senior Citizens Activity Fund - to account for the collection and payment of expenses for senior citizen's trips and special activities.

School Activity Funds - to account for the collection and payment of expenses for education and extra-curricular activities.

CITY OF BRISTOL, CONNECTICUT
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011
(In Thousands)

	City Retirement System Fund	Firefighters' Benefit Fund	Police Benefit Fund	Totals	
				2012	2011
ASSETS					
Cash and cash equivalents	\$ 119	\$ 370	\$ 191	\$ 680	\$ 2,117
Investments	<u>197,218</u>	<u>160,079</u>	<u>175,782</u>	<u>533,079</u>	<u>553,864</u>
Total Assets	<u>197,337</u>	<u>160,449</u>	<u>175,973</u>	<u>533,759</u>	<u>555,981</u>
LIABILITIES					
Vouchers payable					7
Due to other funds		<u>465</u>	<u>427</u>	<u>892</u>	
Total Liabilities		<u>465</u>	<u>427</u>	<u>892</u>	<u>7</u>
NET ASSETS					
Held in trust for employee retirement	197,337	159,157	174,526	531,020	
Held in trust for police OPEB benefits			1,020	1,020	
Held in trust for firefighters' OPEB benefits		<u>827</u>		<u>827</u>	
Total Net Assets	<u>\$ 197,337</u>	<u>\$ 159,984</u>	<u>\$ 175,546</u>	<u>\$ 532,867</u>	<u>\$ 555,974</u>

CITY OF BRISTOL, CONNECTICUT

PENSION TRUST FUNDS

**COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012 WITH
COMPARATIVE TOTALS FOR 2011**

(In Thousands)

	City	Firefighters' Benefit Fund	Police Benefit Fund	Totals	
	Retirement System Fund			2012	2011
Additions:					
Contributions:					
Plan members	\$ 1,592	\$ 256	\$ 396	\$ 2,244	\$ 2,481
Investment income:					
Net appreciation (depreciation) in fair value of investments	(6,075)	(4,774)	(5,258)	(16,107)	85,213
Interest and dividends	4,905	3,915	4,306	13,126	13,315
	(1,170)	(859)	(952)	(2,981)	98,528
Less investment expense	(289)	(79)	(87)	(455)	(366)
	(1,459)	(938)	(1,039)	(3,436)	98,162
Total additions (reductions)	133	(682)	(643)	(1,192)	100,643
Deductions:					
Benefits	10,176	3,465	4,556	18,197	17,240
Administration	1,059	844	908	2,811	2,688
Police and fire retiree health care		465	427	892	
Other			15	15	
Total deductions	11,235	4,774	5,906	21,915	19,928
Net Change	(11,102)	(5,456)	(6,549)	(23,107)	80,715
Net Assets Held in Trust for Pension					
Benefits at July 1	208,439	165,440	182,095	555,974	475,259
Net Assets Held in Trust for Pension					
Benefits at June 30	\$ 197,337	\$ 159,984	\$ 175,546	\$ 532,867	\$ 555,974

CITY OF BRISTOL, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2012 WITH COMPARATIVE TOTAL FOR 2011
(In Thousands)

	Senior Citizens Activity Fund	School Activity Fund	Totals	
	<u> </u>	<u> </u>	<u>2012</u>	<u>2011</u>
ASSETS				
Cash and cash equivalents	\$ 13	\$ 489	\$ 502	\$ 484
Investments	<u> </u>	<u>162</u>	<u>162</u>	<u>160</u>
Total assets	<u>\$ 13</u>	<u>\$ 651</u>	<u>\$ 664</u>	<u>\$ 644</u>
LIABILITIES				
Due to senior citizens	\$ 13		\$ 13	\$ 22
Due to student groups	<u> </u>	<u>651</u>	<u>651</u>	<u>622</u>
Total liabilities	<u>\$ 13</u>	<u>\$ 651</u>	<u>\$ 664</u>	<u>\$ 644</u>

CITY OF BRISTOL, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Senior Citizens Activity Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 22	\$ 67	\$ 76	\$ 13
LIABILITIES				
Due to senior citizens	\$ 22	\$ 67	\$ 76	\$ 13
<u>School Activity Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 462	\$ 1,157	\$ 1,130	\$ 489
Investments	160	3	1	162
Total	\$ 622	\$ 1,160	\$ 1,131	\$ 651
LIABILITIES				
Due to student groups	\$ 622	\$ 1,160	\$ 1,131	\$ 651
<u>Total Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 484	\$ 1,224	\$ 1,206	\$ 502
Investments	160	3	1	162
Total	\$ 644	\$ 1,227	\$ 1,207	\$ 664
LIABILITIES				
Due to senior citizens	\$ 22	\$ 67	\$ 76	\$ 13
Due to student groups	622	1,160	1,131	651
Total	\$ 644	\$ 1,227	\$ 1,207	\$ 664

**Capital Assets Used in the
Operation of Governmental Funds**

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. The assets are reported at historical cost or estimated historical cost.

The City's capitalization policy requires the recording of capital assets with original cost of \$5,000 or more. Provision for depreciation is not included in the schedules.

CITY OF BRISTOL, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2012 AND 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
Governmental funds capital assets:		
Land	\$ 18,170	\$ 18,213
Land improvements	14,244	6,977
Buildings	199,509	199,502
Equipment	67,512	64,556
Infrastructure	232,214	230,589
Construction work in progress	<u>70,285</u>	<u>28,115</u>
Total Governmental Funds Capital Assets	<u>\$ 601,934</u>	<u>\$ 547,952</u>
Investments in governmental funds capital assets by source:		
Capital Projects Fund:		
General obligation bonds and notes	\$ 402,190	\$ 352,624
Federal grants	45,210	45,210
State grants	38,415	36,815
Contributions	1,845	1,698
Proceeds from loans	4,096	4,096
General fund revenues	48,412	46,801
Special revenue fund revenues	49,650	48,748
Gifts	1,025	1,019
Special assessments	1,323	1,323
Miscellaneous	<u>9,768</u>	<u>9,618</u>
Total Investments	<u>\$ 601,934</u>	<u>\$ 547,952</u>

CITY OF BRISTOL, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

AS OF JUNE 30, 2012

(In Thousands)

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvement Other Than Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government	\$ 12,751	\$ 4,878	\$ 1,732	\$ 30	\$ 6,111	\$	\$
Public safety:							
Police	28,060		15,959	77	8,814	3,210	
Fire	6,103	31	742	67	5,260	3	
Building inspection	129				129		
Other public safety	107		51	15	41		
Total public safety	<u>34,399</u>	<u>31</u>	<u>16,752</u>	<u>159</u>	<u>14,244</u>	<u>3,213</u>	<u>-</u>
Public works:							
General public works	17,263	92	8,027	772	3,790	2,520	2,062
Streets, sidewalks and storm drains	181,432	274	1,546	73	5,583	168,861	5,095
Sanitation and waste removal	100,228	562	23,633	365	19,592	52,516	3,560
Total public works	<u>298,923</u>	<u>928</u>	<u>33,206</u>	<u>1,210</u>	<u>28,965</u>	<u>223,897</u>	<u>10,717</u>
Health and welfare	<u>2,074</u>	<u>1,669</u>			<u>8</u>	<u>397</u>	
Libraries	<u>19,435</u>	<u>318</u>	<u>13,650</u>	<u>26</u>	<u>5,080</u>		<u>361</u>
Parks and recreation	<u>24,732</u>	<u>4,455</u>	<u>4,160</u>	<u>9,717</u>	<u>2,220</u>	<u>3,502</u>	<u>678</u>
Education	<u>209,620</u>	<u>5,891</u>	<u>130,009</u>	<u>3,102</u>	<u>10,884</u>	<u>1,205</u>	<u>58,529</u>
Total	<u>\$ 601,934</u>	<u>\$ 18,170</u>	<u>\$ 199,509</u>	<u>\$ 14,244</u>	<u>\$ 67,512</u>	<u>\$ 232,214</u>	<u>\$ 70,285</u>

CITY OF BRISTOL, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets July 1, 2011</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Governmental Funds Capital Assets June 30, 2012</u>
General government	\$ 12,897	\$ 79	\$ (225)	\$ 12,751
Public safety:				
Police protection	28,183	166	(289)	28,060
Fire protection	5,624	586	(107)	6,103
Building inspection	129			129
Other public safety	88	19		107
Total public safety	<u>34,024</u>	<u>771</u>	<u>(396)</u>	<u>34,399</u>
Public works:				
General public works	15,126	2,137		17,263
Streets, sidewalks and storm drains	177,611	3,821		181,432
Sanitation and waste removal	96,869	5,943	(2,584)	100,228
Total public works	<u>289,606</u>	<u>11,901</u>	<u>(2,584)</u>	<u>298,923</u>
Health and welfare	<u>2,443</u>	<u>28</u>	<u>(397)</u>	<u>2,074</u>
Libraries	<u>18,923</u>	<u>563</u>	<u>(51)</u>	<u>19,435</u>
Parks and recreation	<u>23,984</u>	<u>8,266</u>	<u>(7,518)</u>	<u>24,732</u>
Education	<u>166,075</u>	<u>43,559</u>	<u>(14)</u>	<u>209,620</u>
Total	<u>\$ 547,952</u>	<u>\$ 65,167</u>	<u>\$ (11,185)</u>	<u>\$ 601,934</u>

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

CITY OF BRISTOL, CONNECTICUT

NET ASSETS BY COMPONENT
LAST TEN YEARS

(In Thousands)

		Fiscal Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:											
	Invested in capital assets, net of related debt	\$ 226,701	\$ 179,772	\$ 206,272	\$ 201,557	\$ 207,039	\$ 200,700	\$ 198,732	\$ 190,922	\$ 195,021	\$ 191,816
	Restricted	930	752	655	557	487	410	341	296	269	219
	Unrestricted	46,977	61,786	27,173	36,804	39,534	51,656	44,747	38,523	32,601	37,770
	Total Governmental Activities Net Assets	\$ 274,608	\$ 242,310	\$ 234,100	\$ 238,918	\$ 247,060	\$ 252,766	\$ 243,820	\$ 229,741	\$ 227,891	\$ 229,805
Business-type activities:											
16	Invested in capital assets, net of related debt	\$ 19,971	\$ 19,706	\$ 20,667	\$ 20,592	\$ 19,815	\$ 18,427	\$ 18,970	\$ 19,515	\$ 19,515	\$ 18,544
	Unrestricted	4,810	5,314	3,598	3,729	4,880	6,297	5,946	5,000	4,522	5,542
	Total Business-type Activities Net Assets	\$ 24,781	\$ 25,020	\$ 24,265	\$ 24,321	\$ 24,695	\$ 24,724	\$ 24,916	\$ 24,515	\$ 24,037	\$ 24,086
Primary government:											
	Invested in capital assets, net of related debt	\$ 246,672	\$ 199,478	\$ 226,939	\$ 222,149	\$ 226,854	\$ 219,127	\$ 217,702	\$ 210,437	\$ 214,536	\$ 210,360
	Restricted	930	752	655	557	487	410	341	296	269	219
	Unrestricted	51,787	67,100	30,771	40,533	44,414	57,953	50,693	43,523	37,123	43,312
	Total Primary Government Net Assets	\$ 299,389	\$ 267,330	\$ 258,365	\$ 263,239	\$ 271,755	\$ 277,490	\$ 268,736	\$ 254,256	\$ 251,928	\$ 253,891

Notes:

(1) Schedule prepared on the accrual basis of accounting

CITY OF BRISTOL, CONNECTICUT

CHANGES IN NET ASSETS
LAST TEN YEARS

(In Thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental activities:										
General government	\$ 12,567	\$ 12,549	\$ 14,433	\$ 14,551	\$ 20,241	\$ 11,110	\$ 11,487	\$ 8,746	\$ 8,816	\$ 10,849
Public safety	30,704	31,719	31,548	29,854	27,794	24,268	22,984	24,366	23,751	21,649
Public works	31,689	25,183	24,696	28,190	24,493	27,278	24,140	23,747	22,969	22,475
Health and welfare	6,003	6,327	5,656	6,445	5,914	5,995	3,987	4,182	3,277	5,439
Libraries	3,121	2,739	2,651	2,933	2,536	2,369	1,995	2,880	2,926	1,827
Parks and recreation	3,926	3,201	2,972	3,032	3,442	3,175	3,603	5,802	6,014	2,303
Education	133,432	123,128	122,597	122,846	146,877	108,150	106,964	93,175	90,751	89,628
Miscellaneous					837	694	754	752	607	1,112
Interest on long-term debt	2,070	2,830	2,246	2,063	2,054	2,335	1,840	1,949	1,522	1,767
Total Governmental Activities Expenses	223,512	207,676	206,799	209,914	234,188	185,374	177,754	165,599	160,633	157,049
Business-type activities:										
Water	6,775	6,529	6,208	6,458	5,936	6,154	5,363	5,215	5,669	4,926
Total primary government expenses	230,287	214,205	213,007	240,124	240,124	191,528	183,117	170,814	166,302	161,975
Program revenues:										
Governmental activities:										
Charges for services:										
General government	2,114	2,310	2,481	2,367	2,914	3,490	3,563	2,865	1,963	1,709
Public works	7,263	7,138	6,582	6,710	6,213	6,325	6,266	6,049	5,821	5,810
Education	1,850	1,903	2,132	2,077	2,380	2,247	1,994	1,934	1,330	1,876
Other	2,693	2,431	2,492	2,296	2,352	1,917	1,862	1,584	1,557	1,727
Operating grants and contributions	73,300	69,468	68,554	67,428	94,611	57,800	56,201	51,287	50,216	52,180
Capital grants and contributions	42,600	10,704	4,014	2,896	3,833	8,641	12,917	1,354	2,628	1,823
Total Governmental Activities Program Revenues	129,820	93,954	86,255	83,774	112,303	80,420	82,803	65,073	63,515	65,125
Business-type activities:										
Charges for services	6,838	6,327	5,668	5,393	5,497	5,428	5,661	5,485	5,444	5,789
Capital grants and contributions	27	8	33	30	90	209	19	14	19	42
Total business-type activities program revenues	6,865	6,335	5,701	5,423	5,587	5,637	5,680	5,499	5,463	5,831
Total primary government program revenues	136,685	93,960	91,956	89,197	117,890	86,057	88,483	70,572	68,978	70,956

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
CHANGES IN NET ASSETS (CONTINUED)
LAST TEN YEARS
(In Thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net revenue (expense):										
Governmental activities	\$ (93,692)	\$ (113,722)	\$ (120,544)	\$ (126,140)	\$ (121,885)	\$ (104,954)	\$ (94,951)	\$ (100,526)	\$ (97,118)	\$ (91,924)
Business-type activities	90	(194)	(507)	(1,035)	(349)	(517)	317	284	(206)	905
Total primary government net expense	<u>(93,602)</u>	<u>(113,916)</u>	<u>(121,051)</u>	<u>(127,175)</u>	<u>(122,234)</u>	<u>(105,471)</u>	<u>(94,634)</u>	<u>(100,242)</u>	<u>(97,324)</u>	<u>(91,019)</u>
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	117,982	117,274	110,752	111,163	106,391	103,644	99,931	96,106	89,646	79,215
Grants and contributions not restricted to specific purposes	7,504	4,354	4,553	5,421	6,548	6,409	5,850	4,447	4,798	5,349
Unrestricted investment earnings	354	302	396	1,332	2,944	3,700	2,738	1,633	677	880
Other general revenues	150	2	25	82	296	147	511	190	83	266
Total governmental activities	<u>125,990</u>	<u>121,932</u>	<u>115,726</u>	<u>117,998</u>	<u>116,179</u>	<u>113,900</u>	<u>109,030</u>	<u>102,376</u>	<u>95,204</u>	<u>85,710</u>
Business-type activities:										
Unrestricted investment earnings	(329)	949	451	661	320	325	84	194	157	
Total business-type activities	<u>(329)</u>	<u>949</u>	<u>451</u>	<u>661</u>	<u>320</u>	<u>325</u>	<u>84</u>	<u>194</u>	<u>157</u>	
Total primary government	<u>125,661</u>	<u>122,881</u>	<u>116,177</u>	<u>118,659</u>	<u>116,499</u>	<u>114,225</u>	<u>109,114</u>	<u>102,570</u>	<u>95,361</u>	<u>85,710</u>
Changes in net assets:										
Governmental activities	32,298	8,210	(4,818)	(8,142)	(5,706)	8,946	14,079	1,850	(1,914)	(6,214)
Business-type activities	(239)	755	(56)	(374)	(29)	(192)	401	478	(49)	905
Total Primary Government	<u>\$ 32,059</u>	<u>\$ 8,965</u>	<u>\$ (4,874)</u>	<u>\$ (8,516)</u>	<u>\$ (5,735)</u>	<u>\$ 8,754</u>	<u>\$ 14,480</u>	<u>\$ 2,328</u>	<u>\$ (1,963)</u>	<u>\$ (5,309)</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting

CITY OF BRISTOL, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(In Thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$	\$	\$ 749	\$ 998	\$ 1,859	\$ 1,419	\$ 1,668	\$ 753	\$ 2,310	\$ 1,714
Unreserved			27,323	26,953	27,194	26,302	25,818	24,030	18,010	17,269
Nonspendable	2	10								
Committed	3,848	4,975								
Assigned	1,617	2,008								
Unassigned	23,963	21,444								
Total General Fund	\$ 29,430	\$ 28,437	\$ 28,072	\$ 27,951	\$ 29,053	\$ 27,721	\$ 27,486	\$ 24,783	\$ 20,320	\$ 18,983
All other governmental funds:										
Reserved	\$	\$	\$ 15,611	\$ 5,409	\$ 6,582	\$ 5,339	\$ 16,412	\$ 10,065	\$ 5,607	\$ 5,400
Unreserved, reported in:										
Special revenue funds			8,726	8,301	7,817	7,579	7,914	7,495	5,834	5,261
Capital projects funds			(22,123)	(6,289)	(5,055)	1,853	(24,611)	(9,158)	(8,254)	(2,980)
Permanent funds			419	375	311	246	192	171	163	123
Nonspendable	690	540								
Restricted	4,004	3,339								
Committed	28,171	34,916								
Assigned	120	73								
Unassigned	(5,533)	(512)								
Total all Other Governmental Funds	\$ 27,452	\$ 38,356	\$ 2,633	\$ 7,796	\$ 9,655	\$ 15,017	\$ (93)	\$ 8,573	\$ 3,350	\$ 7,804

Note 1: Schedule prepared on the modified accrual basis of accounting

CITY OF BRISTOL, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Taxes and assessments	\$ 116,805	\$ 116,771	\$ 110,803	\$ 110,097	\$ 105,520	\$ 102,760	\$ 99,958	\$ 93,490	\$ 88,948	\$ 78,245
Interest and lien fees on delinquent taxes and assessments	750	927	1,073	1,087	1,012	1,053	1,476	3,812	1,351	1,255
Licenses, permit and fees	7,397	6,983	6,184	6,241	6,028	5,897	6,145	1,488	1,481	1,156
Intergovernmental	122,110	83,270	75,924	74,737	104,114	72,764	75,037	57,378	57,324	59,814
Charges for services	6,222	6,337	7,314	6,834	7,475	7,299	7,143	10,852	9,724	9,735
Income on investments	318	264	347	1,206	2,643	3,307	2,410	1,538	677	820
Miscellaneous	2,018	1,895	1,706	1,724	1,664	2,054	1,839	1,371	1,180	1,249
Total revenues	255,620	216,447	203,351	201,926	228,456	195,134	194,008	169,929	160,685	152,274
Expenditures:										
General government	7,119	6,820	7,294	7,264	7,520	8,274	7,542	6,386	6,095	6,428
Public safety	21,610	22,250	21,799	21,181	20,905	19,957	20,024	19,100	18,541	17,962
Public works	22,437	17,804	17,111	21,280	19,919	19,683	19,247	17,252	16,006	16,630
Health and welfare	6,099	6,095	5,488	6,265	5,611	4,784	3,652	3,564	3,042	5,391
Libraries	2,306	1,976	1,981	1,969	1,981	1,963	1,676	1,578	1,584	1,478
Parks and recreation	2,822	2,433	2,396	2,487	2,419	2,234	2,626	2,235	2,096	1,942
Education	111,168	106,565	106,740	105,358	131,203	96,495	91,734	84,302	80,071	77,763
Citywide:										
Employee benefits and pensions	3,898	4,393	2,637	2,702	2,892	2,719	2,888	2,897	2,405	2,103
Insurance	967	465	589	681	655	713	717	638	654	1,687
Miscellaneous	514	1,352	792	758	837	692	718	752	607	1,112
Capital outlay	55,434	19,760	10,521	15,309	10,906	16,715	23,088	19,908	10,903	5,411
Debt service:										
Principal retirement	4,545	4,575	4,570	4,935	4,934	5,099	5,773	4,644	4,633	4,520
Interest and fiscal charges	2,620	2,002	2,292	2,009	2,306	1,855	1,794	1,764	1,601	1,795
Refunding bond issuance cost								150		
Total expenditures	241,539	196,490	184,210	192,198	212,088	181,183	181,479	165,170	148,238	144,222
Excess of revenue over expenditures	14,081	19,957	19,141	9,728	16,368	13,951	12,529	4,759	12,447	8,052
Other financing sources (uses):										
Transfers in	14,946	12,665	13,797	14,150	14,895	14,015	12,104	9,533	10,574	8,893
Transfers out	(39,124)	(37,217)	(37,620)	(36,165)	(35,293)	(34,227)	(31,066)	(27,815)	(27,626)	(23,193)
Proceeds from capital leases				8,900						
Proceeds from borrowing		39,587				21,606	470	23,059	1,488	
Proceeds from refunding	21,823							10,740		
Premium on bonds issued	2,932	1,096		66				515		
Payment to refunded bond escrow agent	(24,569)							(11,105)		
Total other financing sources (uses)	(23,992)	16,131	(23,823)	(13,049)	(20,398)	1,394	(18,492)	4,927	(15,564)	(14,300)
Net Change in Fund Balances	\$ (9,911)	\$ 36,088	\$ (4,682)	\$ (3,321)	\$ (4,030)	\$ 15,345	\$ (5,963)	\$ 9,686	\$ (3,117)	\$ (6,248)
Debt Service as a Percentage of Noncapital Expenditures	3.9%	3.8%	4.0%	4.0%	3.8%	4.4%	4.9%	4.5%	4.5%	4.5%

Note 1: Schedule prepared on the modified accrual basis of accounting

CITY OF BRISTOL, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (In Thousands)

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value(2)
	Residential	Commercial	Industrial							
2012	\$ 3,041,932	\$ 495,045	\$ 230,458	\$ 408,548	\$ 365,967	\$ 223,986	\$ 4,318,104	28.75	\$ 6,168,720	70%
2011	3,038,627	486,786	230,731	387,052	342,385	211,187	4,274,394	27.24	6,106,277	70%
2010	3,119,391	760,652	232,187	381,500	331,617	181,046	4,375,145	27.24	6,250,208	70%
2009	3,026,970	454,990	242,253	372,646	323,890	174,309	4,246,440	25.99	6,066,343	70%
2008 (3)	3,022,346	441,107	235,464	365,396	342,196	171,074	4,235,435	34.71	6,050,621	70%
2007	2,015,854	284,262	183,537	373,548	338,877	155,518	3,040,560	34.21	4,343,658	70%
2006	1,972,390	278,040	173,782	357,779	320,031	142,739	2,959,283	33.33	4,431,461	70%
2005	1,964,939	246,747	173,002	262,366	300,023	71,827	2,875,250	32.83	4,210,111	70%
2004 (3)	1,956,066	228,333	173,089	266,201	310,713	89,196	2,845,206	30.93	4,192,003	70%
2003	1,542,722	215,548	167,120	268,675	303,467	105,523	2,392,009	32.25	3,567,904	70%

- (1) Assessed values for all real and personal property located within the City on October 1, are included on the Grand List by the Assessor's office. A Board of Assessment Appeals determines whether adjustments to the Assessor's list under appeal are warranted. Assessments are computed at 70% of market value. A revaluation of all property within the City is required to be completed no less than every ten years.
- (2) Equalized Net Grand List is compiled by the State of Connecticut Office of Policy and Management as a factor in figuring aid to education, and is produced by comparing sample sales of real estate, or market value, to the assessed value of the property on the Town/City's books. The resulting sales assessment ratio is used to equalize grand lists for each Town/City in Connecticut. These computations usually take one year to compile.
- (3) Revaluation year

TABLE 6

CITY OF BRISTOL, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS

2010 AND 2000

(In Thousands)

Taxpayer	October 1, 2010			October 1, 2000		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
E.S.P.N.	\$ 289,978,740	1	6.46%	\$ 88,270,650	1	3.6%
Covanta	42,723,230	2	0.95%			
**Bristol Industrial Partners, LLC/Bristol Center LLC	34,424,950	3	0.77%			
Connecticut Light & Power	33,370,190	4	0.74%	16,359,690	5	0.7%
Carpenter Realty Company	24,102,040	5	0.54%	14,955,150	7	0.6%
Federal Realty Investment Trust	22,520,350	6	0.50%	12,958,280	9	0.5%
Lake Compounce Limited Partnership	17,787,250	8	0.40%	10,272,400	10	0.4%
Webster Bank	6,517,540	28	0.15%	17,945,420	4	0.7%
Theis Precision Steel	15,710,480	10	0.35%	20,772,440	3	0.8%
Barnes Group	15,309,681	11	0.34%	15,292,420	6	0.6%
Otis Elevator	10,921,470	14	0.24%	13,003,210	8	0.5%
***Odgen Martin				39,814,400	2	1.6%
****Dana Corporation						
Total	\$ 513,365,921		11.4%	\$ 249,644,060		10.00%

October 1, 2010 Net Assessment Post BAA

Source: City of Bristol, Office of Tax Assessor

**New ownership as of 10/1/2007

***Real Estate ownership entity for Covanta

****WE 383 Middle Street LLC, previously Superior Electric Corp.

TABLE 7

CITY OF BRISTOL, CONNECTICUT

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30,	Tax Rate in Mills	Taxes Levied For the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	27.24	\$ 117,108	\$ 115,629	98.74	\$	\$ 115,629	98.74
2011	27.24	116,860	115,256	98.63	1,031	115,256	98.63
2010	25.99	110,770	108,912	98.32	1,139	108,912	98.32
2009	25.99	110,740	108,691	98.15	1,639	110,330	99.63
2008	34.71	106,413	104,402	98.11	1,415	105,817	99.44
2007	34.21	103,075	100,951	97.94	1,447	102,398	97.94
2006	33.33	99,648	97,765	98.11	1,631	99,396	99.75
2005	32.83	95,382	93,483	98.01	1,780	95,263	99.88
2004	30.93	88,824	86,734	97.65	1,997	88,731	99.90
2003	32.25	77,983	75,910	97.34	1,982	77,892	99.88

Source: Tax Collector's Report; Comprehensive Annual Financial Report

CITY OF BRISTOL, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Ratio of Debt to Estimated Taxable Assessed Value	Debt Per Capita	Total Debt Outstanding as a Percentage of Personal Income
	General Obligation Bonds	Capital Leases	Water				
2012	\$ 85,954	\$	\$ 2,507	\$ 88,461	2.05%	\$ 1,462	0.03%
2011	89,235		5,263	94,498	2.16%	1,551	0.03%
2010	54,225		5,000	59,225	1.35%	972	0.04%
2009	58,793		5,549	64,342	1.52%	1,060	0.04%
2008	54,826		6,109	60,935	1.44%	999	0.04%
2007	59,762		7,034	66,796	1.54%	1,090	0.04%
2006	43,255		4,355	47,610	1.07%	781	0.05%
2005	48,558	3	5,100	53,661	1.27%	884	0.05%
2004	30,133	6	5,155	35,294	0.84%	593	0.07%
2003	33,278	8	6,360	39,646	1.11%	660	0.07%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF BRISTOL, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

JUNE 30, 2012

(In Thousands)

Total tax collections, including interest and lien fees	\$ 117,518
Reimbursement for loss of revenues:	
Tax relief for elderly - freeze	<u>6</u>
Base	<u>\$ 117,524</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 264,436	\$	\$	\$	\$
4-1/2 times base		528,872			
3-3/4 times base			440,726		
3-1/4 times base				381,963	
3 times base					352,581
Total	<u>264,436</u>	<u>528,872</u>	<u>440,726</u>	<u>381,963</u>	<u>352,581</u>
Indebtedness:					
Bonds and notes payable	35,017	40,279	8,543		
Bond anticipation notes payable	7,410				
Bonds authorized and unissued	8,093	102,436	450		
State Grant Commitments		(100,613)			
Total	<u>50,520</u>	<u>42,102</u>	<u>8,993</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 213,916</u>	<u>\$ 486,770</u>	<u>\$ 431,733</u>	<u>\$ 381,963</u>	<u>\$ 352,581</u>

NOTE: In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$822,668.

CITY OF BRISTOL, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limitation	\$ 822,668	\$ 823,725	\$ 782,901	\$ 777,462	\$ 747,175	\$ 726,418	\$ 710,220	\$ 681,765	\$ 631,918	\$ 555,702
Total net debt applicable to limit	<u>100,679</u>	<u>104,310</u>	<u>93,200</u>	<u>97,690</u>	<u>55,549</u>	<u>60,483</u>	<u>74,152</u>	<u>46,766</u>	<u>30,118</u>	<u>34,304</u>
Legal debt margin	<u>\$ 721,989</u>	<u>\$ 719,415</u>	<u>\$ 689,701</u>	<u>\$ 679,772</u>	<u>\$ 691,626</u>	<u>\$ 665,935</u>	<u>\$ 636,068</u>	<u>\$ 634,999</u>	<u>\$ 601,800</u>	<u>\$ 521,398</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>12.23%</u>	<u>12.66%</u>	<u>11.90%</u>	<u>12.57%</u>	<u>7.44%</u>	<u>8.33%</u>	<u>10.44%</u>	<u>6.86%</u>	<u>4.77%</u>	<u>6.17%</u>

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 9 for calculation of current year debt limitation

CITY OF BRISTOL, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Income(2)</u>	<u>Median Age(2)</u>	<u>School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>	<u>Personal Income(5)</u>
2012	60,510	\$ 29,629	40	8,365	8.8%	35,534
2011	60,092	25,782	40	8,508	9.4%	35,534
2010	60,927	25,782	40	8,699	9.8%	35,534
2009	60,679	25,782	40	8,656	9.1%	35,534
2008	60,991	25,782	40	8,781	6.1%	35,534
2007	61,258	25,782	39	8,892	5.1%	35,534
2006	60,992	25,782	39	9,008	4.9%	35,534
2005	60,722	25,782	39	9,016	5.4%	35,534
2004	60,541	25,782	36	8,980	5.5%	35,534
2003	60,026	25,782	36	8,987	6.0%	35,534

- (1) Source: State Health Department
(2) Source: State Department of Economic Development, 2010 Census
(3) Source: Bristol Board of Education
(4) Source: State Department of Labor (2012 Average as of August 31, 2012)
(5) Source: U.S. Census Bureau, 2000 Census

**CITY OF BRISTOL, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO**

Employer	Nature of Business	2012			2007		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ESPN	Sports Broadcasting	3,800	1	10.85%	3,000	1	9.04%
Bristol Hospital, Inc.	Healthcare	1,750	2	5.00%	1,271	2	3.83%
City of Bristol & Board of Education	Municipality	1,574	3	4.49%			
Stephen AutoMall Centre	Retail	200	4	0.57%			
IDEX Health & Science LLC	Health Care	200	5	0.57%			
Sheriden Woods Health Care Center	Health Care	180	6	0.51%			
Quality Coils	Manufacturing	170	7	0.49%			
Stop & Shop	Grocery Store	150	8	0.43%	353	5	1.06%
Rowley Spring	Manufacturing	150	9	0.43%			
The Pines at Bristol	Health Care	140	10	0.40%			
Price Chopper	Grocery Store				220	8	0.66%
Associated Spring- Barnes Group	Manufacturing				500	4	1.51%
Cigna	Insurance				352	6	1.06%
Walmart	Retail				243	7	0.73%
Yarde Metals	Manufacturing				614	3	1.85%
Theis Precision Steel	Manufacturing				190	9	0.57%
Home Depot	Retail				170	10	0.51%
Total		<u>8,314</u>		<u>22.83%</u>	<u>6,913</u>		<u>20.82%</u>

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Source: Bristol Chamber of Commerce & Bristol Development Authority

CITY OF BRISTOL, CONNECTICUT

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Full-Time Equivalent Employees as of June 30,</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government	85	82	87	87	87	90	91	90	90	90
Police	134	138	150	150	147	147	142	142	129	125
Fire	89	90	93	93	93	92	90	92	92	92
Public works	117	118	127	127	135	136	127	117	120	121
Parks and recreation	21	21	23	23	22	20	22	22	23	22
Library	29	30	30	30	28	30	27	24	24	24
Education	1,065	1,121	1,110	1,143	1,155	1,131	1,130	1,135	1,069	1,057
Water Department	<u>34</u>	<u>34</u>	<u>36</u>	<u>36</u>	<u>36</u>	<u>35</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>
Total	<u><u>1,574</u></u>	<u><u>1,634</u></u>	<u><u>1,656</u></u>	<u><u>1,689</u></u>	<u><u>1,703</u></u>	<u><u>1,681</u></u>	<u><u>1,666</u></u>	<u><u>1,659</u></u>	<u><u>1,584</u></u>	<u><u>1,568</u></u>

Source: City of Bristol, Personnel Office and Board of Education, Personnel Office

**CITY OF BRISTOL, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government:										
Building permits issued	1,325	1,322	1,494	1,512	1,533	1,728	1,855	1,855	1,976	1,693
Police:										
Physical arrests	2,638	2,655	2,920	3,289	2,526	3,451	2,426	2,300	2,386	2,088
Parking violations	3,443	1,695	3,103	3,969	4,309	3,402	3,885	4,240	4,484	3,429
Traffic violations	6,072	8,560	10,492	10,200	10,098	10,246	7,884	10,097	10,807	9,071
Fire:										
Emergency responses	2,935	1,353	999	1,016	2,636	3,036	3,090	2,521	2,247	2,154
Fires extinguished	272	233	200	124	280	252	271	209	179	203
Inspections	998	1,255	1,978	814	849	475	523	533	247	324
Refuse collection:										
Refuse collected (tons per day)	73.61	67.24	69.17	69.93	73	76.52	74.54	73	69.7	67.15
Recyclables collected (tons per day)	16.11	13.35	13.48	13.58	12	11	13.77	13.8	14.7	14.4
Other public works:										
Street resurfacing (miles)	8.2	7.5	5.5	11	9.2	8.8	7.3	4.8	8.8	7.3
Potholes repaired	750	830	920	1,050	1,000	1000	1,000	1,000	1,000	1,000
Parks and recreation:										
Athletic field permits issued	1,591	1,246	1,050	1,050	1,083	992	1,034	1,087	1,116	1,057
Library:										
Volumes in collection	215,250	209,150	200,600	193,869	192,261	180,180	170,155	168,756	166,540	166,556
Total volumes borrowed	327,807	331,043	344,386	351,025	353,329	336,680	298,629	321,208	376,762	386,865
Water:										
New connections:										
Water main breaks	19	15	24	21	19	23	18	15	19	24
Average daily production (thousands of gallons)	5,219	5,455	5,261	5,400	5,500	5,300	5,700	5,800	5,500	5,290
Peak daily production (thousands of gallons)	8,841	9,720	7,474	7,716	7,385	8,074	7,800	8,100	7,410	8,020
Wastewater:										
Average daily sewage treatment (millions of gallons daily)	8.5	8.5	8.6	8.6	8	8.96	10.06	8.6	8.8	9.4

N/A - Information not available

Source: City of Bristol: Building Department, Police Department, Fire Department, Parks and Recreation Department, Public Works Department Library, Water Department and Water Pollution Control

**CITY OF BRISTOL, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	0	0	
Patrol units	30	30	30	30	30	30	30	28	28	26	
Fire stations											
Fire stations	5	5	5	5	5	5	5	5	5	5	
Refuse collection:											
Collection trucks	30	30	31	28	28	28	27	25	24	22	
Other public works:											
Streets (miles)	232	232	232	232	232	225	222.5	221.9	221.8	220.3	
Highways (miles)	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	
Streetlights	5,523	5,500	5,500	5,493	5,005	5,456	6,031	5,670	5,452	5,590	
Traffic signals	24	24	24	24	24	24	19	19	19	19	
Parks and recreation:											
Acreage	700	700	700	700	700	700	700	700	700	700	
Playgrounds	8	8	8	8	8	8	8	8	8	8	
Baseball/softball diamonds	10	10	10	10	10	10	10	10	10	10	
Soccer/football fields	5	5	5	5	5	5	5	5	5	5	
Community centers	0	0	0	0	0	0	0	0	0	0	
Water:											
Water mains (miles)	313	313	313	313	313	313	313	311	284	284	
Fire hydrants	1,596	1,591	1,575	1,569	1,561	1,554	1,543	1,543	1,519	1,517	
Storage capacity (thousands of gallons)	1281105	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,279,605	1,279,605	1,279,605	1,245,760	
Wastewater:											
Sanitary sewers (miles)	242.9	238.7	237.8	237.8	237.7	236.83	236.18	234.86	233.76	233.4	
Storm sewers (miles)	223.1	220.8	220.5	219.9	219.3	218	218	219.5	217.4	215.9	
Treatment capacity (millions per day)	10.75	10.75	10.75	10.75	107.5	10.75	10.75	10.75	10.75	10.75	

Source: City of Bristol: Police Department, Fire Department, Parks and Recreation Department, Public works Department, Water Department and Water Pollution Control