

# ***City of Bristol Connecticut***



**Comprehensive Annual Financial Report  
Fiscal Year Ending June 30, 2019**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE  
CITY OF BRISTOL, CONNECTICUT**

**FISCAL YEAR  
JULY 1, 2018 - JUNE 30, 2019**

Prepared by:

**Comptroller's Office**

**Diane Waldron  
Comptroller**

**CITY OF BRISTOL  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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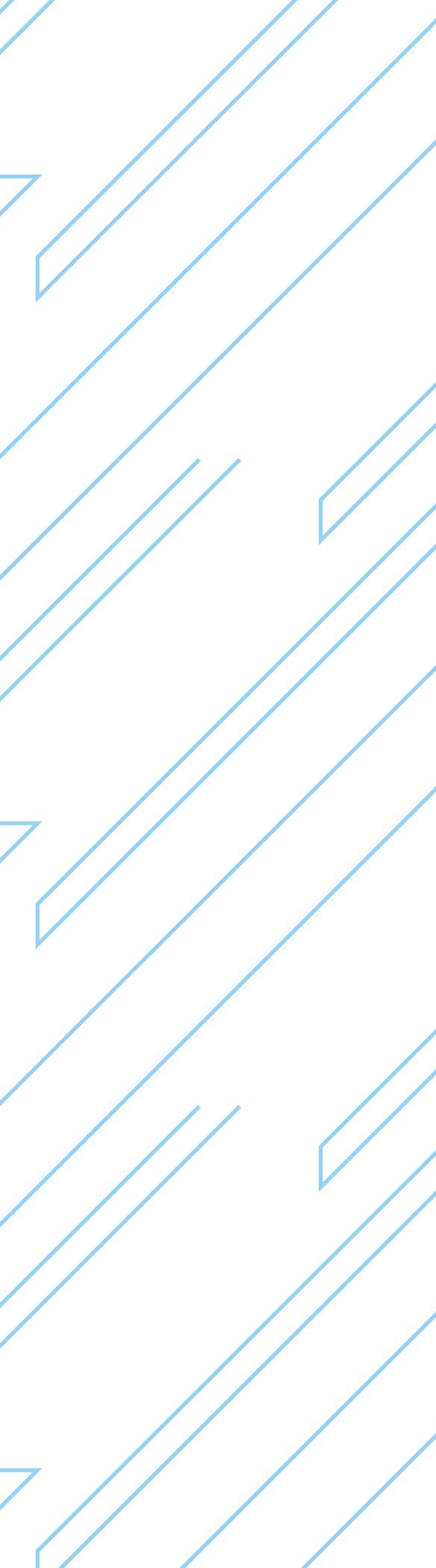
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# Introductory Section

# CITY OF BRISTOL, CONNECTICUT

For Fiscal Year Ended June 30, 2019

## PRINCIPAL OFFICIALS

### CITY COUNCIL

Ellen A. Zoppo-Sassu, Mayor  
Gregory R. Hahn, Council Member  
Scott Rosado, Council Member  
Peter B. Kelley, Council Member  
David J. Preleski, Council Member  
Mary B. Fortier, Council Member  
Dave Mills, Council Member

### BOARD OF FINANCE

Ellen A. Zoppo-Sassu, Mayor  
Cheryl Thibeault, Chairperson  
John E. Smith, Vice Chairman  
Ron Burns, Commissioner  
Orlando Calfe, Commissioner  
Jake Carrier, Commissioner  
Nicolas Jones, Commissioner  
Marie O'Brien, Commissioner  
Michael LaMothe, Commissioner

## ADMINISTRATION

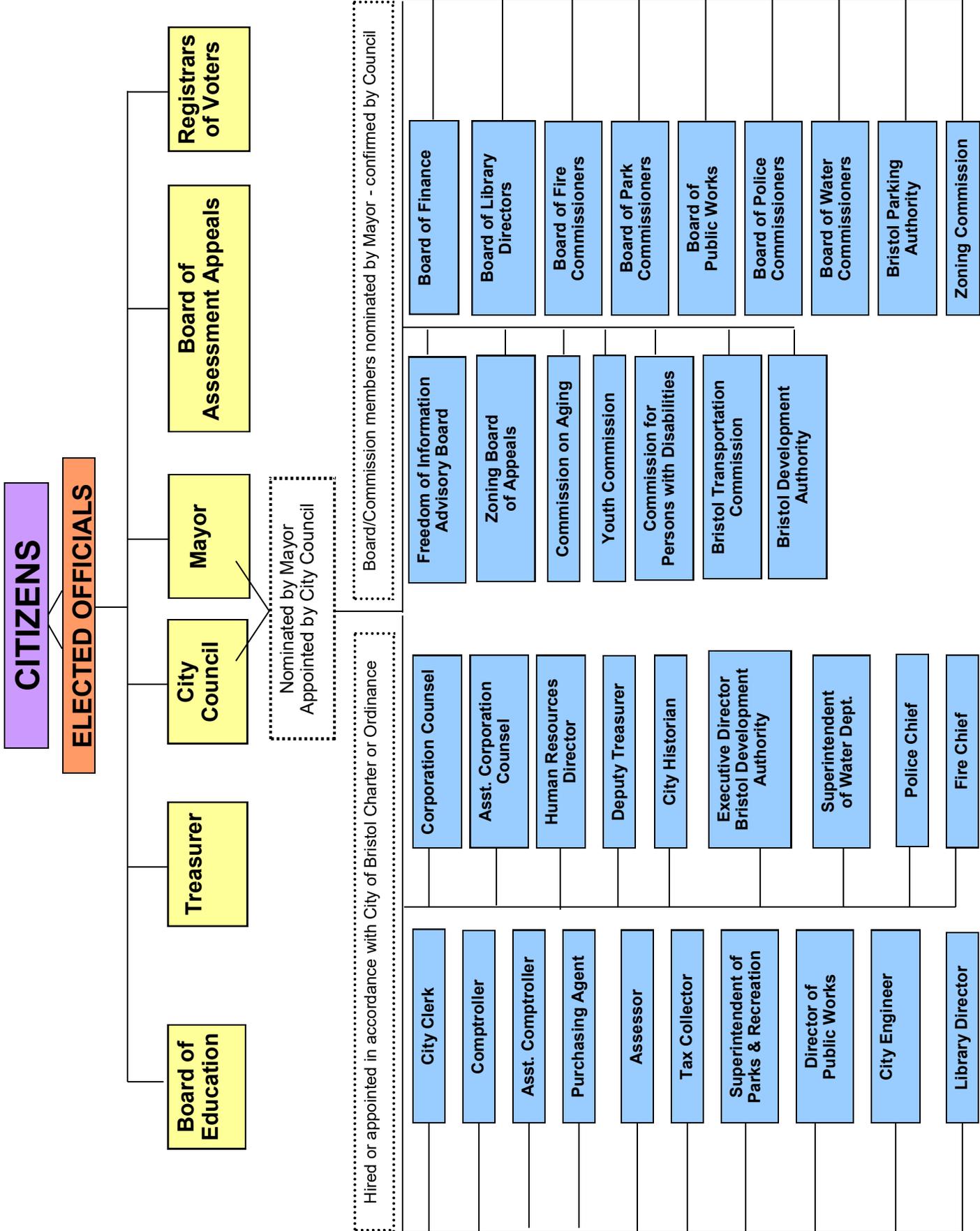
Registrar of Voters – Democrat  
Registrar of Voters – Republican  
Assessor  
Tax Collector  
Purchasing Agent  
Comptroller  
Assistant Comptroller  
Treasurer  
Director of Human Resources  
Corporation Counsel  
Town and City Clerk  
Commission on Aging, Director  
Director of Youth & Community Services  
City Planner  
Planning Secretary and City Engineer  
Zoning Enforcement Officer  
Police Chief  
Fire Chief  
Emergency Management Director  
Chief Building 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

Kevin McCauley  
Sharon Krawiecki  
Thomas DeNoto  
Ann Bednaz  
Roger Rousseau  
Diane M. Waldron  
Robin Manuele  
Thomas O. Barnes, Jr.  
Mark Penney  
Wyland Dale Clift  
Therese Pac  
Patricia Tomascak  
Eileen McNulty  
Robert Flanagan  
Nancy Levesque  
Vacant  
Brian J. Gould  
Jay Kolakoski  
Harland Graime  
Guy Morin  
Raymond Rogozinski  
Charles Motes, Jr.  
Deborah Prozzo  
Joshua Medeiros  
Justin Malley  
Robert Longo  
Susan Kalt Moreau, Ph.D.  
Catherine M. Carbone, Ph.D.

## BOARD OF EDUCATION

Christopher C. Wilson, Chairman  
Jeff Caggiano  
Jennifer Dube  
Joe P. Grabowski  
Karen C. Hintz, Secretary

Karen L. Vibert, Vice Chairperson  
Thomas P. O'Brien  
Kristen M. Giantonio  
Tina Marie Taylor





December 19, 2019

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, 2019.

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.

BlumShapiro, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Bristol's financial statements for the year ended June 30, 2019. 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 complements 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, and ball bearing 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 geographic district basis. The Mayor and Council members serve two-year terms. 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. Both function, 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 these legally separate entities can be found in the notes to the financial statements.

The Joint Meeting, comprised of all members of the Board of Finance and City Council, is required to adopt a final budget 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 (e.g. General 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 Meeting approval.

*"An Equal Opportunity Employer"*

## **NATIONAL, STATE & LOCAL ECONOMY**

The City issued \$25 million in Tax Exempt General Obligation bonds in October, 2019. These bonds were rated AAA and AA+ by Fitch and Standard and Poor's, respectively. The bonds were issued to finance a number of capital improvement projects currently in process or that have been completed.

Fitch sited Bristol as a suburban City located 20 miles southwest of the state capital city of Hartford with a broad based economy which includes healthcare, manufacturing and is the home of ESPN headquarters, which employs more than 4,000 people. The rating reflects the City's legal ability to raise revenues through property taxes, the City's sound expenditure flexibility practices and its low long-term liability burden. In addition, the City sustained strong operating performance during a period of economic downturn and recovery and maintained a steady level of reserves within policy guidelines.

Standard and Poor's cites Bristol as demonstrating strong budgetary performance, having a strong economy and strong management that follows good financial policies and practices as well as having very strong budget flexibility, liquidity, debt and contingent liability positions and a strong institutional framework. They highlighted the City's strong fund balance at 15% of operating expenditures.

The City has varied manufacturing and industrial sectors that add 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. ESPN's worldwide headquarters remains the City's largest taxpayer, accounting for approximately 6% of the City's total property assessed valuation. ESPN's growth in Bristol is assured by on-going development of an acquisition of 20 adjoining acres. Their digital center comprises over 193,000 square feet of office space and four technologically advanced production studios. Although ESPN has experienced some workplace reduction to address the changing viewership climate, the company recently brought the new ACC Network to Bristol, adding a number of new, skilled full-time positions to the area.

In addition to ESPN the city continues to be a leader in manufacturing, producing a wide variety of precision-crafted goods such as historic hard wares, clocks, screw machine products, electronic items, timing devices, and robotic-based automation systems and more. Specialty manufacturers produce a diverse array of industries, including medical devices, surgical equipment, aerospace, and automobile items.

Downtown redevelopment remains a top priority for reasons of economic vitality and quality of life. The City continues its work to promote an approximate 15 acre City owned, piece of property – dubbed Centre Square – in the heart of the downtown sector. Bristol Health completed construction of a 60,000 square foot medical complex that encompasses four acres of the Centre Square site. The grand opening for this new facility was in June 2019. This project has brought employment opportunities, medical staff, patients and others to the downtown area. As part of this project, the City recently completed construction of the first roadway on the Centre Square site – “Hope Street” – that will serve Bristol Health and future development on this property. Scheduled to join Bristol Health on Centre Square will be two new “downtown style” buildings that will include apartments, retail/office space and a restaurant.

The City has approved the use of Tax Increment Financing (TIF) and adopted a TIF Master Plan as an economic development tool to incentivize private development and to provide a funding source for public infrastructure projects in downtown Bristol. This specifically earmarks future real property tax revenue increases within the downtown TIF District to help finance public infrastructure improvements, to fund City administered economic Development incentive programs, and/or to help finance private development projects within the TIF District. There are no current plans to issue City debt for TIF at this time but this tool is available should the City decide to use it.

**CITY  
OF  
BRISTOL**

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The City's high-profile technology parks are designed to bring manufacturers and similar businesses to Bristol. The 229 Technology Park, located off heavily traveled CT Route 229, hosts nearly 30 businesses with upwards of 1,000 employees. Standout businesses include Otis Elevator, IDEX Health and Science, Multi/Cable Corp, Etter Engineering Co. Inc., and the Covanta trash-to-energy plant. Most recently the City welcomed an Amazon Delivery Station within the 229 Technology Park location. Just down the street, the City's newest technology park - Southeast Bristol Business Park - is approximately 51 acres and is host to new and innovative companies. The infrastructure for the Park was a jointly funded project of the state and the City. The acreage will ultimately accommodate approximately 750,000 square feet of new space. The Park construction is complete and open for occupancy. The Park already has five tenants, including CMI Specialty Products, Precision Threaded Products, GMN USA, AMKO, and a 130,000 distribution center for the Connecticut/Western Massachusetts PODS portable storage company.

The City has seen growth in two highly trafficked retail areas – CT Route 6 and CT Route 229. CT Route 6 has enjoyed a large amount of retail renovation and expansion along the Farmington town line that includes expansion of a fitness facility, addition of a new fitness facility and new restaurants as well as other retail establishments. Along Route 229 Aldi finished a complete renovation, a new urgent care facility was constructed, and new or expanded retail shops and restaurants opened as well.

**UNEMPLOYMENT**

Connecticut's average unemployment rate at the end of the fiscal year was 3.8% which is a decrease from 4.4% in 2018 while Bristol's unemployment decreased from 4.6% to 4.2%. Income per capita in Bristol is approximately 4% higher than the national average and median household income of \$64,586 is 12% higher than the national average at \$57,652.

As a result of a variety of business expansion and relocation incentives to promote development, renewed investment, and new employment opportunities, the City of Bristol expects its Grand List to continue to grow modestly over the next couple of years while also providing quality employment opportunities for residents. Major employment centers within Bristol include the worldwide headquarters of ESPN, Bristol Health, and a number of high-tech manufacturers throughout the City. The most recently opened 60,000 square foot Amazon Delivery Station or "last mile" distribution facility in Bristol will employ 500 to up to 1,000 employees during the holiday season.

**LONG-TERM FINANCIAL PLANNING**

Downtown revitalization remains a top priority for reasons of economic vitality and quality of life. The City is currently studying the proper mix of public and private improvements and investments. As previously mentioned Bristol Health has completed its 60,000 square foot medical center on the former mall site the City purchased in March 2005. The re-use of this site is a key component providing opportunity for downtown revitalization. The eventual sale of the site, or portions of the site, could recoup a substantial portion of the purchase price, restart the income stream of taxes, and help spark renewed interest in surrounding downtown properties.

The City has an active 10 Year Capital Improvement and Strategic Planning Committee that meets at least quarterly and possibly more frequently during the budget process. Their primary focus is to evaluate the long term capital improvement projects presented by the various departments, prioritize them and determine how the projects fit in with the city's long term financial and economic development plan. Some of the more recent projects approved include renovation of the Memorial Boulevard School into an Intra-district Arts Magnet School at a cost of approximately \$63 million, renovation of the Page Park pool at \$4.1 million, a feasibility study for a City wide fiber optic network as well as development of a Parks Master Plan, renovations to fire headquarters and various other public works infrastructure projects.

## 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 unassigned fund balance at 12-15% of budgeted operating revenues.

The City has an adopted Debt Policy that establishes parameters and guidance on capital spending and the issuance of debt to finance capital projects.

There is an Investment Policy in place to provide guidance for cash management and investment of funds in accordance with City policies and goals as well as to meet statutory requirements.

Effective June 30, 2019 the Board of Finance established a Mill Rate Stabilization Reserve Fund which was funded through the transfer of surplus funds at the end of the year. The City is planning to use these funds to mitigate any future budget tax increases that may result due to expected increased debt service costs, the recently adopted elderly tax relief program, and as applicable any decrease in state grant revenues.

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

## MAJOR INITIATIVES

Education comprised 57% of the City's 2019 budget. Funding for education increased to \$111,411,195 or a 0.95% increase over the prior year. This increases the State's minimum budget requirement (MBR), a state statute that mandates a Board of Education budget must be funded at a minimum to at least the prior year funding level. Following summarizes the FY 2018-2019 budget.

### Strategies and Challenges to balance the 2018-2019 budget:

- Department Heads were directed to submit a budget of what they felt was needed for their respective departments irrespective of any budget guideline but was required to justify their requests for consideration by the Comptroller's Office and the Board of Finance.
- Minimal bonding of the Ten-Year Capital Improvement Plan
- Continue to develop and implement fiscal policies to keep the City's bond rating strong
- Continue to evaluate shared services between the City and Education
- Prioritize Capital spending in a way to spread costs over time to minimize the tax impact
- Minimize the budget impact of significant reductions in State Aid and an increased pension contribution

### Percentages

- Requests totaled \$200.4 million from the City side and Board of Education. This represented an \$8.5 million or 4.44% increase over the 2018-2019 budget.
- The Board of Education request was originally an increase of \$3.3 million or 2.96%. Through combined efforts and workshops between the Board of Finance and the Board of Education, this increase was reduced to a 0.95% increase.
- General City requests were finalized at an increase of \$1 million or 1.43%

- Intergovernmental Revenues decreased \$2.8 million or 6.0%
- The overall General Fund budget increase was 1.34% with a 2.36% tax increase

The 2017/18 budget was adopted with a zero percent tax increase assuming no reductions in State aid. However, the State of Connecticut did not adopt a budget until months after the fiscal year started with significant reductions in grants to the City which was not anticipated. As a result, the 2019 budget year had to make up for these reductions as well as any budget changes for 2019. On a preliminary basis a significant tax increase was projected. One alternative the City evaluated to mitigate the tax increase included consolidation of the City's three pension funds under one valuation or "umbrella." This would effectively eliminate the required contribution to the City General Retirement Fund of approximately \$3.5 million for both the City and Education budgets. The three pension plans included the City Employee Retirement Fund, Firefighter Retirement Fund and Police Retirement Fund. All funds were extremely well funded with the City at 99.5%, Fire at 268% and Police at 164%; however, since the City plan had dipped below the 100% funded ratio a contribution had been required for the last few years, with a significant increase for the 2018-2019 fiscal year. The pension funds had historically been combined for investment purposes with activity allocated among the three plans for reporting and actuarial purposes. Recognizing the assets available in the Fire and Police plans, City officials moved forward to combine the funds under one "umbrella" plan to eliminate the required contribution. City officials worked with the Fire and Police unions, the City's actuary and pension attorney. Combining the three pension plans for actuarial and reporting purposes effective June 30, 2019 eliminated the required contribution of \$3.5 million. Actuarial analysis projections going out 20 years indicate there would be no required contribution to the plan.

#### **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, 2018. This was the thirty-second consecutive year in 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 will submit it to the GFOA to determine its eligibility for another certificate.

##### **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, 2018. 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 seventeenth consecutive year 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 will be submitted 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 June 30, 2019 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 sixteenth consecutive time the City has received this award.

We commend our independent auditors, Blum Shapiro, specifically Audit Manager Santo Carta for his expertise and patience in progressively guiding the City's staff through the required annual reporting updates and modifications.

**Acknowledgements**

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, Assistant Comptroller Robin Manuele, Senior Accountant Skip Gillis, Budget and Accounting Assistant Sharon Chaika, 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,



Diane M. Waldron  
Comptroller



Robin L. Manuele  
Assistant Comptroller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

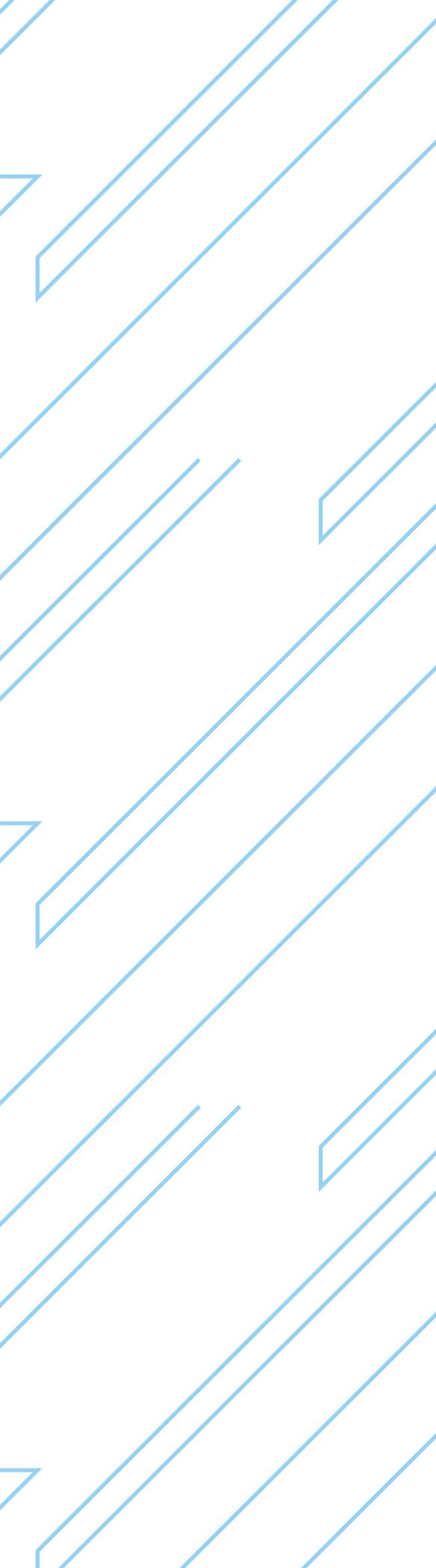
**City of Bristol  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



# Financial Section

## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

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, 2019, and the related notes to the financial statements, which collectively comprise the City of Bristol, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to 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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bristol, Connecticut's basic financial statements. 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 basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bristol, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 28, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information. The accompanying financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds, and Pension and OPEB Trust Funds as of and for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2018 financial statements. The accompanying 2018 financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In their opinion, the financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 on our consideration of the City of Bristol, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bristol, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bristol, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 19, 2019

**CITY OF BRISTOL, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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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, 2019. Please read this MD&A in conjunction with the transmittal letter beginning on page i and the City's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- The City's total net position decreased \$14.2 million or 2.65%. Net position of business-type activities increased by \$0.7 million, or 2.0%, and net position of governmental activities decreased by \$14.9 million or 3.0%.
- During the year, expenses exceeded revenues generated in tax and other revenues for governmental programs and business activities by \$14.2 million. This is primarily the result of a decrease in the net pension asset, increases in the Other Post-Employment Benefits (OPEB) net liability and adjustment on an accrual basis for bonds issued during the year.
- In the City's governmental activities, revenues decreased approximately \$10.5 million or 4.1% and expenses decreased \$2.6 million or 1.0%. The decreases in revenues were primarily a result of decreases in grants and contributions related to the on behalf state payments for teachers retirement and other post-employment benefits (OPEB).
- In the City's business-type activities, revenues increased \$0.38 million or 4.9% and expenses increased \$0.86 million or 12.9%. The increase in revenues was primarily a result of increased water sales revenues; and the increase in expenditures is a direct result of increases in transmission and distribution costs.
- Total cost of all City programs was \$265.9 million with no new programs added this year. This represents a \$1.7 million decrease compared to fiscal year 2018. Actual expenditure increases are offset by the decrease in the on-behalf payment of the State Teachers OPEB payment of \$12 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$29.6 million, or 13.8% of general fund budgetary expenditures and transfers out including the State Teachers retirement and OPEB on behalf payments.
- The tax collection rate was 98.61% on the current levy, which is the same as the prior year.
- The City of Bristol's total bonded indebtedness including Enterprise fund debt increased \$13.9 million to \$87.7 million representing an 18.8% increase after current year annual debt service payments. In October 2018 the City issued \$22.5 million in tax exempt general obligation bonds to finance various ongoing City, School and Sewer projects and \$7.9 million in taxable general obligation bonds to finance the outstanding balance on short term borrowing for the purchase of the Centre Square Mall property as well as other various capital projects.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The statement of net position 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 position 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 position and changes in them. The City's net position, 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 position 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.

The statement of net position and the statement of activities divides 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 established 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 grants, and other funds restricted for specific purposes. 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 position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary funds (Exhibit V through 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 position and the statement of activities. 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 provides more detail and additional information, such as cash flows, for the 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 post-employment benefit 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 position and changes in fiduciary net position. 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 position decreased from a year ago from \$537 million to \$522 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**TABLE 1**  
**SUMMARY SCHEDULE OF NET POSITIONS**

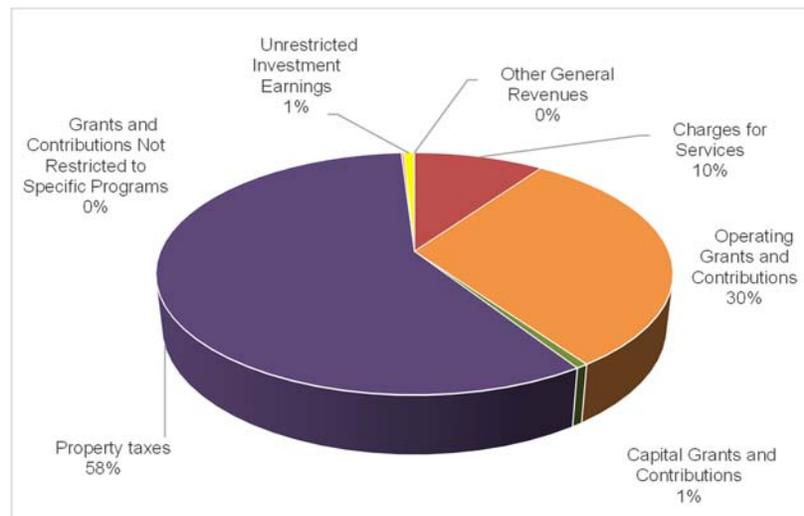
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 312,516,243	\$ 319,453,574	\$ 17,541,305	\$ 18,126,216	\$ 330,057,548	\$ 337,579,790
Capital assets, net of accumulated depreciation	353,729,393	359,286,400	23,511,199	23,118,622	377,240,592	382,405,022
Total assets	<u>666,245,636</u>	<u>678,739,974</u>	<u>41,052,504</u>	<u>41,244,838</u>	<u>707,298,140</u>	<u>719,984,812</u>
Deferred Outflows of Resources	<u>34,087,549</u>	<u>23,458,382</u>	<u>1,507,650</u>	<u>327,624</u>	<u>35,595,199</u>	<u>23,786,006</u>
Long-term liabilities outstanding	182,198,033	151,469,734	7,449,334	6,532,668	189,647,367	158,002,402
Other liabilities	21,528,577	38,989,876	574,489	705,999	22,103,066	39,695,875
Total liabilities	<u>203,726,610</u>	<u>190,459,610</u>	<u>8,023,823</u>	<u>7,238,667</u>	<u>211,750,433</u>	<u>197,698,277</u>
Deferred Inflows of Resources:	<u>8,627,778</u>	<u>8,846,202</u>	<u>225,235</u>	<u>691,488</u>	<u>8,853,013</u>	<u>9,537,690</u>
Net Position:						
Net investment in capital assets	254,524,989	266,282,611	20,875,002	20,577,181	275,399,991	286,859,792
Restricted	186,674,687	202,388,179	8,807,480	9,278,021	195,482,167	211,666,200
Unrestricted	<u>46,779,121</u>	<u>34,221,754</u>	<u>4,628,614</u>	<u>3,787,105</u>	<u>51,407,735</u>	<u>38,008,859</u>
Total Net Position	<u>\$ 487,978,797</u>	<u>\$ 502,892,544</u>	<u>\$ 34,311,096</u>	<u>\$ 33,642,307</u>	<u>\$ 522,289,893</u>	<u>\$ 536,534,851</u>

Net position of the City's governmental activities decreased by 3.0% or \$14.9 million compared to a prior decrease of \$7.1 million. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements is \$47 million at the end of this year. The net position of business-type activities increased by \$0.6 million and unrestricted increased by \$0.8 million or 22% in 2019 compared to 2018.

**TABLE 2  
SUMMARY STATEMENTS OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 16,202,354	\$ 15,783,942	\$ 8,224,671	\$ 7,500,510	\$ 24,427,025	\$ 23,284,452
Operating grants and contributions	76,939,048	93,600,969			76,939,048	93,600,969
Capital grants and contributions	1,612,984	2,136,579			1,612,984	2,136,579
<b>General revenues:</b>						
Property taxes	146,235,083	140,813,458			146,235,083	140,813,458
Grants and contributions not restricted to specific programs	523,860	422,149			523,860	422,149
Unrestricted investment earnings	1,906,770	1,125,319	(36,629)	306,518	1,870,141	1,431,837
Other general revenues	84,596	78,465			84,596	78,465
<b>Total revenues</b>	<b>243,504,695</b>	<b>253,960,881</b>	<b>8,188,042</b>	<b>7,807,028</b>	<b>251,692,737</b>	<b>261,767,909</b>
<b>Program expenses:</b>						
General government	15,206,941	12,194,227			15,206,941	12,194,227
Public safety	41,433,915	37,443,005			41,433,915	37,443,005
Public works	30,880,755	28,720,300			30,880,755	28,720,300
Health and welfare	8,515,040	8,566,460			8,515,040	8,566,460
Libraries	3,296,778	3,250,406			3,296,778	3,250,406
Parks and recreation	3,856,200	3,617,439			3,856,200	3,617,439
Education	152,066,662	164,662,832			152,066,662	164,662,832
Interest on long-term debt	3,162,151	2,568,739			3,162,151	2,568,739
Water			7,519,253	6,659,124	7,519,253	6,659,124
<b>Total program expenses</b>	<b>258,418,442</b>	<b>261,023,408</b>	<b>7,519,253</b>	<b>6,659,124</b>	<b>265,937,695</b>	<b>267,682,532</b>
Change in net position	(14,913,747)	(7,062,527)	668,789	1,147,904	(14,244,958)	(5,914,623)
Net position - beginning	502,892,544	509,955,071	33,642,307	32,494,403	536,534,851	542,449,474
<b>Net Position - Ending</b>	<b>\$ 487,978,797</b>	<b>\$ 502,892,544</b>	<b>\$ 34,311,096</b>	<b>\$ 33,642,307</b>	<b>\$ 522,289,893</b>	<b>\$ 536,534,851</b>

The City's total revenues were \$251.7 million. The total cost of all programs and services was \$265.9 million. The pie chart analysis below considers the operations of governmental and business-type activities.



## ***Governmental Activities***

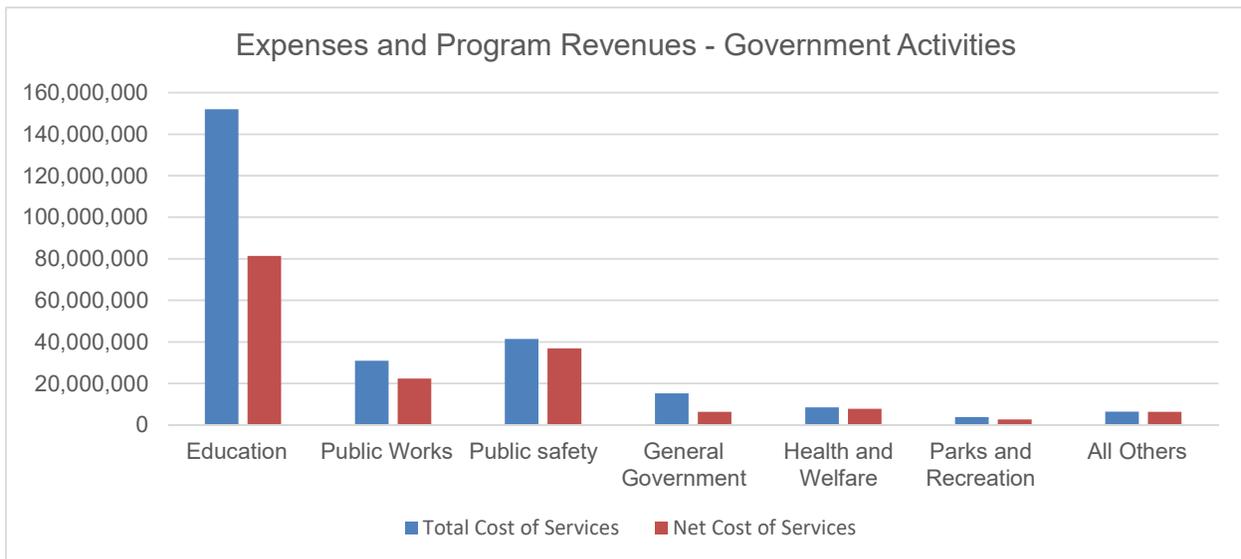
Governmental Activities decreased the City of Bristol's net position by \$14.9 million. The prior year decrease in net position was \$7.1 million. Key elements of the 2019 decrease with offsetting increases are as follows:

- Property tax collections increased approximately \$5.4 million compared to the prior year. The increase is primarily due to two gaps in which the City had to make up for from the prior year:
  - The city did not have a tax increase in the prior year, however when the State budget was finally adopted there was an approximate \$2.8 million gap in State revenues that the City needed to make up for in the 2018-2019 year.
  - Legislation at the time the City adopted its budget included a statutory mill rate cap on motor vehicles of 32 mills that the City was subject to. The State of Connecticut had not yet adopted a State budget and as State revenues were relatively unknown the City, per past practice, adopted the budget based on current statutory legislation and used the mill rate cap of 32 mills. Had the 36.03 mill rate been used for the Motor Vehicle bills it would have generated approximately an additional \$1.5 million in tax revenue that had to be made up for in 2019.
- In addition the City did generate additional revenue with the Supplemental Motor Vehicle bills issued for January 1, 2019. The City anticipated approximately \$1.1 million and the actual collections were approximately \$2.1 million.
- Operating grants and contributions for governmental activities decreased by \$16.7 million primarily due to the on-behalf State Teachers Retirement and Other Post-Employment Benefits contribution which is a swing from the prior year of approximately a \$16 million reduction in revenues.
- Capital grants and contributions decreased \$0.5 million.
- Charges for services increased \$0.4 million primarily due to increased police extra duty services required for major construction projects on Route 6 and other areas throughout the City.
- Investment earnings increased \$781 thousand. Interest rates remained quite low but increased slightly throughout the year. The City was successful with its investments to maximize earnings while remaining within the parameters of its cash management investment policy. The City increased cash on hand for operations once it replenished cash for the capital funds through authorized long term borrowing.
- Governmental activities expenses decreased \$2.6 million primarily as a result of the State on behalf payment to the Teachers OPEB fund as well as the increase in deferred inflows/outflows for the pension and other post-employment benefits.

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)**

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Education	\$ 152,066,662	\$ 164,662,832	\$ 81,458,493	\$ 77,094,392
Public works	30,880,755	28,720,300	22,310,348	18,511,027
Public safety	41,433,915	37,443,005	36,915,922	33,527,477
General government	15,206,941	12,194,227	6,349,754	4,375,015
Health and welfare	8,515,040	8,566,460	7,753,566	7,912,485
Parks and recreation	3,856,200	3,617,439	2,588,576	2,417,419
All others	6,458,929	5,819,145	6,287,397	5,664,103
<b>Total</b>	<b>\$ 258,418,442</b>	<b>\$ 261,023,408</b>	<b>\$ 163,664,056</b>	<b>\$ 149,501,918</b>



### ***Business-Type Activities***

Revenues of the City's business-type activities (see Table 2) were \$8.2 million in 2019 compared to \$7.8 million in 2018 and net expenses increased \$0.9 million or 12.9%. The factors influencing these results included:

- Revenues: Increases were primarily from increased water charges and sales.
- Expenses: The decrease is primarily a result of the deferred inflows/outflows relative to this fund's share of pension and OPEB assets/liabilities and expenses, approximately \$781 thousand.

Overall net position increased \$0.7 million.

## **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 \$78.5 million.

Approximately 38% of this total amount (\$29.6 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 \$29.6 million, while total fund balance reached \$40 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 13.6% of total general fund expenditures including the State Teacher's Retirement and OPEB on-behalf payments, while total fund balance represents 18.5% of that same amount. This compares to 12.7% and 17%, respectively, to the prior year.

The Capital Projects Fund has a fund balance of \$17.8 million compared to the prior year's negative fund balance of \$9.5 million. The City issued bonds to finance various capital projects in October 2018 to replenish capital projects cash flow as well as to finance expected cash flow for remaining in process projects. The October 2018 debt issuance funded the negative fund balance at the beginning of the year.

The Debt Service Fund has a total fund balance of \$1.3 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. Planned use of reserves during the budget adoption as well as payment of bond issuance costs decreased fund balance from the prior year.

The Special Education Grants fund has a minimal negative unassigned fund balance.

### ***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 position of the Water Department totaled \$4.6 million and the Health Benefits and Workers' Compensation funds amounted to \$12.6 million. Factors concerning the finances of the Water Department have already been addressed in the discussion of the City of Bristol's business-type activities.

This Health Benefits and Workers' Compensation fund experienced an overall \$3.0 million decrease in net position. There are a few factors that caused this:

- Miscellaneous Revenues decreased \$0.4 million.
- Use of a portion of fund reserves was allocated to offset budgetary increases in health insurance claims and costs for the 2019 fiscal year.
- Increased claims compared to the prior year of approximately \$1.8 million primarily a result of an increase in the number of large claims.

### **General Fund Budgetary Highlights**

Variances 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 year to year at 98%. Actual current collections were 98.61%. Current tax collections increased \$3 million over the prior year due to the increase in the mill rate from 36.03 to 36.88, a 0.85 mill or 2.36% tax increase.
- The Supplemental Motor Vehicle tax revenue generated approximately \$1 million more than anticipated. This is the first budget year the City segregated this revenue from the Current Levy so there is no comparison for this category to the prior year.
- Building permit collections were \$446 thousand over original budgeted estimates. This revenue source increase was due to an increase in new residential and commercial development activity.
- State and Federal grant estimates were relatively in line with anticipated budget amounts. Overall state and federal grants were \$206 thousand less than anticipated, primarily a result of a decrease in the anticipated Education Cost Sharing grant. The decrease was due to an adjustment by the State for the prior year excess cost grant where the amounts paid to the city exceeded the actual calculations for this grant.
- Public Safety Charges for Services also exceed budget amounts due to the increase in number and magnitude of construction projects on City roadways. The costs associated with these services are paid by the contractors.
- Investment earnings exceeded budget amounts by approximately \$1 million. This was achieved through effective cash management as well as the City having just issued bonds to finance fund deficits in its Capital Projects funds for projects either completed or in progress.

#### *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, at year end over expenditures are covered by either transfers within the department line items or transfers from other departments excess funds at year end.

Large transfer amounts usually signify unusual circumstances. For instance:

- The School Readiness grant is not budgeted until the grant amount is known, which is usually after budget adoption.
- Public Safety adjustments within the Police and Fire Department budgets were caused by costs of overtime for unplanned local emergencies, private duty contracts, of which the cost is paid for by the third party contractor, and contractual replacement for sick or injured personnel within divisions.
- A \$27 million transfer from the General fund to the Internal Service Fund represents the combined City and Education appropriation for workers' compensation expenses and health benefit expenses.
- Public Works – Major Road Improvements – a State grant specifically for road improvements is received mid-year and is appropriated to this division for road maintenance and improvements.

- Public Works – Snow Removal costs increased due to more snow and ice storm events over the prior year. Fleet Maintenance costs were also more than anticipated by approximately \$83 thousand dollars.
- Education – Education required an additional appropriation of \$660 thousand due to increased Special Education costs not eligible for State reimbursement.

Overall, on the City side, there were significant savings in personnel and contractual services costs from budgeted amounts. These savings were generated through department restructuring and/or employee turnover.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2019, the Governmental Activities had \$353.7 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 decrease (including additions and deductions) of \$5.6 million, or 1.6%, over last year.

TABLE 4  
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 18,562,523	\$ 18,651,113	\$ 2,752,140	\$ 2,752,140	\$ 21,314,663	\$ 21,403,253
Construction in progress	7,191,683	5,954,233	1,672,747	1,134,564	8,864,430	7,088,797
Buildings	178,310,002	185,034,206	16,789,914	16,770,997	195,099,916	201,805,203
Improvement other than buildings	1,582,994	3,606,433			1,582,994	3,606,433
Machinery and equipment	34,474,934	31,131,634	2,296,398	2,460,921	36,771,332	33,592,555
Infrastructure	113,607,257	114,908,781			113,607,257	114,908,781
Total	\$ 353,729,393	\$ 359,286,400	\$ 23,511,199	\$ 23,118,622	\$ 377,240,592	\$ 382,405,022

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

#### Construction in progress (CIP)

- Governmental Activities: A number of major projects were completed during the fiscal year in the amount of \$2.7 million that was transferred to the appropriate capital asset category. Additions to CIP in the amount of \$3.9 million were for some major projects still in process at June 30, 2019. These projects include: renovations to the Memorial Boulevard School into an Intra-district Arts Magnet School at an approximate cost of \$63 million; construction of the new road at Centre Square – Hope Street – at an additional cost in 2019 of \$1.4 million; Page Park Pool improvements; Police/Court Building Chiller Replacement and various other school and public works infrastructure improvements.
- Business-Type Activities – Replacement of the DeWitt Storage Tank was in process at June 30, 2019 in the amount of \$538 thousand accounting for the increase in this category.

#### Buildings

- Governmental Activities: The major additions to the City's buildings include renovations at the transfer station building, roof replacement at fire headquarters and improvements at the Dennis Malone aquatic facility.

*Improvements other than buildings*

- Governmental Activities: The decrease is primarily depreciation expense for the year.

*Machinery and Equipment*

- Governmental Activities: The increase is primarily due to the purchase of two fire vehicles, an aerial ladder truck and a pumper at a total cost of \$1.9 million. In addition the City also purchased four dump trucks, pick-up trucks and a sweeper at public works; a camera system, projectors and various other equipment at the Bristol schools as well as other various equipment for other city departments.

The City's fiscal year 2018-2019 capital budget called for it to spend \$16.2 million for capital projects.

<b>Fiscal Year 2019 Capital Budget</b>	
<b><u>Department</u></b>	
Board of Education	\$5,890,735
Fire Department	\$1,400,000
City Clerk	\$210,000
Parks Department	\$3,100,000
Public Works	\$5,075,000
Public Works – WPC	\$525,000
<b>Total All Departments</b>	<b><u>\$16,200,735</u></b>
<b><u>Funding</u></b>	
Sale of Bonds	\$9,852,160
General Fund Cash	\$460,000
WPC CNR	\$525,000
Other Funds	\$901,000
Grants	\$3,492,575
LOCIP	\$97,000
<b>Total All Funding</b>	<b><u>\$16,200,735</u></b>

Some of the main highlights of these projects include:

- Improve various roads- cul-de-sacs, right of ways, storm drains and related pavement outlay
- Education department funding for HVAC replacement at South Side School and Roof replacement at Stafford School
- Parks Department to renovate Page Park Pool & Bathroom and renovation to the Dennis Malone Aquatic Center
- Replacement of a fire engine

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

## Long-term Debt

At June 30, 2019, the City had \$88.9 million in total bonded indebtedness versus \$64.5 million last year – an increase of \$24.4 million or 38% – as shown in Table 5. The increase is primarily due to the City issuing tax exempt general obligation bonds in the amount of \$22.5 million and taxable general obligation bonds in the amount of \$7.9 million in October 2018.

**TABLE 5**  
**OUTSTANDING DEBT, AT YEAR-END**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds (Backed by the City)	\$ 86,301,000	\$ 62,093,000	\$ 2,559,519	\$ 2,357,678	\$ 88,860,519	\$ 64,450,678

The City's general obligation bond ratings are Aa2 and AA+ respectfully from Moody's Investors Service and Standard and Poor's. Standard and Poor's (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. In October 2016 Fitch upgraded the rating to AAA.

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 the 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 8 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 2019 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 decreased to 4.2% versus 4.6% a year ago. This compares with the State's unemployment rate of 3.8% (not seasonally adjusted) and the national rate of 3.7%. (Source: CT Department of Labor, 2019 Average and Bureau of Labor Statistics).

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 85% of the state's average and 112% of the nation's average.

Economic indicators were taken into account when adopting the General Fund budget for 2019-20. The 2019-2020 General Fund budget was adopted at \$200.6 million, an increase of \$6.2 million over the previous year's budget of approximately \$194 million. The property tax rate increased from 36.88 to 38.05 or 3.17%.

The City will use these budgetary increases to finance programs currently offered and to off-set the effect inflation is expected to have on program costs.

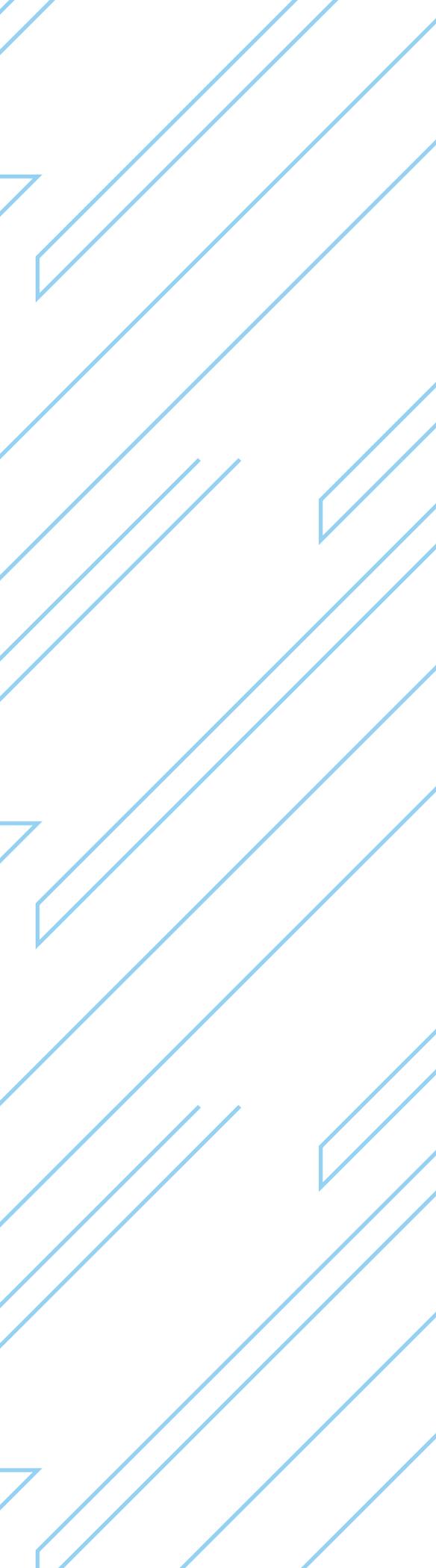
If these estimates are realized, the City's budgetary General Fund balance is expected to remain constant at June 30, 2020, however surpluses in various revenue accounts are anticipated to be realized which will increase the City's undesignated fund balance. Residential Building Permits, Conveyance Tax fees, interest income, motor vehicle supplemental taxes and delinquent tax collections continue to exceed anticipated projections which will continue to be conservatively estimated for budget purposes to reflect current economic conditions.

While the City of Bristol completed the 2019 year with a \$2.2 million surplus, the Board of Finance and City Council designated \$1.65 million of this to a mill rate stabilization reserve fund in anticipation of future increased debt service costs and implementation of a local senior tax relief program.

As for the City's business-type activities marginal growth is expected (0.25 -0.50%) to net position based on sales over the past three fiscal years. Expense increases will be primarily due to salaries and benefits while other expenses are expected to have a slight marginal increase. Also, expenses will increase for continued 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 Comptroller's Office, City of Bristol, 111 North Main Street, Bristol, Connecticut, 06010.



# **Basic Financial Statements**

**CITY OF BRISTOL, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bristol- Burlington Health District
<b>Assets:</b>				
Cash and cash equivalents	\$ 104,087,031	\$ 6,869,074	\$ 110,956,105	\$ 2,695,620
Investments	11,566,535		11,566,535	
Receivables, net	10,871,423	1,601,091	12,472,514	22,315
Inventory	52,306	255,320	307,626	
Other assets	457,638	8,340	465,978	
Net pension asset	185,481,310	8,807,480	194,288,790	
<b>Capital assets:</b>				
Assets not being depreciated	25,754,206	4,424,887	30,179,093	
Assets being depreciated, net	327,975,187	19,086,312	347,061,499	58,767
Total assets	666,245,636	41,052,504	707,298,140	2,776,702
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	1,679,026	74,832	1,753,858	
Deferred outflows related to pension	22,242,654	614,255	22,856,909	
Deferred outflows related to OPEB	10,165,869	818,563	10,984,432	
Total deferred outflows of resources	34,087,549	1,507,650	35,595,199	-
<b>Liabilities:</b>				
Accounts and other payables	7,898,286	498,655	8,396,941	23,858
Accrued liabilities	11,922,254	49,453	11,971,707	21,331
Accrued interest payable	955,740		955,740	
Other current liabilities		26,381	26,381	
Unearned revenue	752,297		752,297	
<b>Noncurrent liabilities:</b>				
Due within one year	14,369,931	389,664	14,759,595	58,705
Due in more than one year	167,828,102	7,059,670	174,887,772	17,063
Total liabilities	203,726,610	8,023,823	211,750,433	120,957
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pension	6,467,025	225,235	6,692,260	
Deferred inflows related to OPEB	2,160,753		2,160,753	
Total deferred inflows of resources	8,627,778	225,235	8,853,013	-
<b>Net Position:</b>				
Net investment in capital assets	254,524,989	20,875,002	275,399,991	58,767
<b>Restricted for:</b>				
Pensions	185,481,310	8,807,480	194,288,790	
<b>Trust purposes:</b>				
Expendable	148,429		148,429	
Nonexpendable	1,044,948		1,044,948	
Unrestricted	46,779,121	4,628,614	51,407,735	2,596,978
Total Net Position	\$ 487,978,797	\$ 34,311,096	\$ 522,289,893	\$ 2,655,745

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			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	\$ 15,206,941	\$ 2,368,308	\$ 5,170,786	\$ 1,318,093	\$ (6,349,754)		\$ (6,349,754)	
Public safety	41,433,915	3,952,773	565,220		(36,915,922)		(36,915,922)	
Public works	30,880,755	8,268,657	116,683	185,067	(22,310,348)		(22,310,348)	
Health and welfare	8,515,040	241,873	519,601		(7,753,566)		(7,753,566)	
Libraries	3,296,778	29,851	141,681		(3,125,246)		(3,125,246)	
Parks and recreation	3,856,200	611,433	650,175	6,016	(2,588,576)		(2,588,576)	
Education	152,066,662	729,459	69,774,902	103,808	(81,458,493)		(81,458,493)	
Interest and fiscal charges	3,162,151				(3,162,151)		(3,162,151)	
Total governmental activities	258,418,442	16,202,354	76,939,048	1,612,984	(163,664,056)	-	(163,664,056)	-
Business-type activities:								
Water	7,519,253	8,224,671				705,418	705,418	
Total Primary Government	\$ 265,937,695	\$ 24,427,025	\$ 76,939,048	\$ 1,612,984	(163,664,056)	705,418	(162,958,638)	-
Component Unit:								
Bristol-Burlington Health District	\$ 3,579,249	\$ 186,293	\$ 3,378,758	\$ -				(14,198)
General revenues:								
Property taxes					146,235,083		146,235,083	
Grants and contributions not restricted to specific programs					523,860		523,860	
Unrestricted investment earnings (loss)					1,906,770	(36,629)	1,870,141	15,452
Gain on sale of capital assets					26,772		26,772	
Miscellaneous					57,824		57,824	
Total general revenues					148,750,309	(36,629)	148,713,680	15,452
Change in net position					(14,913,747)	668,789	(14,244,958)	1,254
Net Position at Beginning of Year					502,892,544	33,642,307	536,534,851	2,654,491
Net Position at End of Year					\$ 487,978,797	\$ 34,311,096	\$ 522,289,893	\$ 2,655,745

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	General	Debt Service Fund	Capital Projects	Special Education Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 41,507,620	\$ 1,262,007	\$ 16,775,303	\$ 2,538,237	\$ 18,887,675	\$ 80,970,842
Investments	10,569,132				997,403	11,566,535
Receivables, net	5,803,337		3,296,446	25,146	1,710,951	10,835,880
Due from other funds	593,594			31,158		624,752
Other assets	3,471					3,471
Inventories					52,306	52,306
Total Assets	<u>\$ 58,477,154</u>	<u>\$ 1,262,007</u>	<u>\$ 20,071,749</u>	<u>\$ 2,594,541</u>	<u>\$ 21,648,335</u>	<u>\$ 104,053,786</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and contracts payables	\$ 3,447,447		\$ 2,321,824	\$ 98,128	\$ 827,382	\$ 6,694,781
Accrued liabilities	10,671,035			1,039,545	211,674	11,922,254
Due to other funds				1,335,257	345,715	1,680,972
Due to other governments				1,910	106,468	108,378
Unearned revenue	390,807			120,078	234,252	745,137
Total liabilities	<u>14,509,289</u>	<u>-</u>	<u>2,321,824</u>	<u>2,594,918</u>	<u>1,725,491</u>	<u>21,151,522</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	3,958,153					3,958,153
Unavailable revenue - sewer use					27,488	27,488
Unavailable revenue - sewer assessments					451,057	451,057
Total deferred inflows of resources	<u>3,958,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>478,545</u>	<u>4,436,698</u>
Fund balances:						
Nonspendable	3,471				1,097,254	1,100,725
Restricted		1,262,007			4,980,419	6,242,426
Committed	3,107,495		17,749,925		13,148,558	34,005,978
Assigned	7,336,712				218,068	7,554,780
Unassigned	29,562,034			(377)		29,561,657
Total fund balances	<u>40,009,712</u>	<u>1,262,007</u>	<u>17,749,925</u>	<u>(377)</u>	<u>19,444,299</u>	<u>78,465,566</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 58,477,154</u>	<u>\$ 1,262,007</u>	<u>\$ 20,071,749</u>	<u>\$ 2,594,541</u>	<u>\$ 21,648,335</u>	<u>\$ 104,053,786</u>

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**CITY OF BRISTOL, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

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

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

Fund balances - total governmental funds	\$ 78,465,566
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 707,004,084	
Less accumulated depreciation	<u>(353,274,691)</u>	
Net capital assets		353,729,393

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

Net pension asset	185,481,310
Property tax receivables greater than 60 days	2,665,705
Interest receivable on property taxes	1,292,448
Sewer assessments receivable	443,397
Sewer assessments interest receivable	7,660
Sewer usage receivable	27,488
Deferred outflows related to pension	22,242,654
Deferred outflows related to OPEB	10,165,869

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 position.

12,623,877

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	(95,056,112)
Unamortized premium on general obligation bonds	(5,827,318)
Net OPEB liability	(60,454,993)
Interest payable on bonds and notes	(955,740)
Compensated absences	(8,575,103)
Landfill post closure care	(1,348,552)
Deferred charges on refunding	1,679,026
Deferred inflows related to pension	(6,467,025)
Deferred inflows related to OPEB	<u>(2,160,753)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 487,978,797</u>
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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, 2019**

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Special Education Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes and assessments	\$ 145,317,233	\$	\$ 19,137	\$	\$ 45,721	\$ 145,382,091
Interest and lien fees on delinquent taxes and assessments	960,640					960,640
Licenses, permit and fees	1,977,707				1,185,328	3,163,035
Intergovernmental	62,256,556		1,674,256	9,119,034	4,926,094	77,975,940
Charges for services	4,551,418				8,512,259	13,063,677
Income on investments	1,501,536	13,838	83,354		154,096	1,752,824
Miscellaneous	310,029				1,065,248	1,375,277
Total revenues	<u>216,875,119</u>	<u>13,838</u>	<u>1,776,747</u>	<u>9,119,034</u>	<u>15,888,746</u>	<u>243,673,484</u>
Expenditures:						
Current:						
General government	6,304,562				1,737,093	8,041,655
Public safety	26,224,620				864,948	27,089,568
Public works	14,906,300				8,107,741	23,014,041
Health and welfare	6,321,506				1,237,953	7,559,459
Libraries	2,167,397				72,164	2,239,561
Parks and recreation	2,516,595				359,561	2,876,156
Education	109,877,534			9,119,031	4,902,226	123,898,791
Citywide:						
Employee benefits and pensions	3,924,782					3,924,782
Insurance	27,967,916					27,967,916
Miscellaneous	430,040					430,040
Capital outlay			7,752,760			7,752,760
Debt service:						
Principal retirement		6,192,000	621,883			6,813,883
Interest and fiscal charges		3,275,823	168,975			3,444,798
Total expenditures	<u>200,641,252</u>	<u>9,467,823</u>	<u>8,543,618</u>	<u>9,119,031</u>	<u>17,281,686</u>	<u>245,053,410</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,233,867</u>	<u>(9,453,985)</u>	<u>(6,766,871)</u>	<u>3</u>	<u>(1,392,940)</u>	<u>(1,379,926)</u>
Other Financing Sources (Uses):						
Transfers in		9,068,994	3,705,640		3,561,643	16,336,277
Transfers out	(14,024,643)	(190,000)	(83,994)		(2,037,640)	(16,336,277)
General obligation bonds issued			30,400,000			30,400,000
Premium on bonds		101,263				101,263
Total other financing sources (uses)	<u>(14,024,643)</u>	<u>8,980,257</u>	<u>34,021,646</u>	<u>-</u>	<u>1,524,003</u>	<u>30,501,263</u>
Net Change in Fund Balance	2,209,224	(473,728)	27,254,775	3	131,063	29,121,337
Fund Balance at Beginning of Year	<u>37,800,488</u>	<u>1,735,735</u>	<u>(9,504,850)</u>	<u>(380)</u>	<u>19,313,236</u>	<u>49,344,229</u>
Fund Balance at End of Year	<u>\$ 40,009,712</u>	<u>\$ 1,262,007</u>	<u>\$ 17,749,925</u>	<u>\$ (377)</u>	<u>\$ 19,444,299</u>	<u>\$ 78,465,566</u>

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**CITY OF BRISTOL, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

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)	\$ 29,121,337
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	10,988,015
Depreciation expense	(16,267,259)

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.

	(277,763)
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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	(148,263)
Property tax interest and lien revenue - accrual basis change	40,615
Sewer assessment receivable - accrual basis change	(22,236)
Sewer assessment interest receivable - accrual change	(1,189)
Sewer usage receivable - accrual basis change	(933)
Net pension asset	(15,776,126)
Deferred outflows related to pension	(6,242,287)
Deferred outflows related to OPEB	9,489,818

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

Bonds issued	(30,400,000)
Bond principal payments	6,813,320
Bond premiums	(101,099)

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:

Net OPEB liability	(7,888,155)
Compensated absences	443,558
Amortization of bond premiums	684,189
Landfill post closure care	61,062
Accrued interest	(124,132)
Amortization of deferred charge on refunding	(276,847)
Deferred inflows related to pension	10,037,660
Deferred inflows related to OPEB	(2,160,753)

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>(2,906,279)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (14,913,747)</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 POSITION  
 JUNE 30, 2019**

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,869,074	\$ 23,116,189
Receivables, net	1,601,091	35,543
Due from other funds		1,056,220
Inventories	255,320	
Other assets	8,340	454,167
Total current assets	<u>8,733,825</u>	<u>24,662,119</u>
<b>Noncurrent assets:</b>		
Net pension asset	8,807,480	
<b>Capital assets:</b>		
Assets not being depreciated	4,424,887	
Assets being depreciated, net	19,086,312	
Total noncurrent assets	<u>32,318,679</u>	<u>-</u>
Total assets	<u>41,052,504</u>	<u>24,662,119</u>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding	74,832	
Deferred outflows related to pension	614,255	
Deferred outflows related to OPEB	818,563	
Total deferred outflows of resources	<u>1,507,650</u>	<u>-</u>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts and other payables	498,655	1,095,127
Payroll liabilities	49,453	
Customer deposits	26,381	
Unearned revenues		7,160
Compensated absences - current	49,252	
Bonds payable - current	269,000	
Notes payable - current	71,412	
Unpaid claims - current		5,326,580
Total current liabilities	<u>964,153</u>	<u>6,428,867</u>
<b>Noncurrent liabilities:</b>		
Compensated absences	325,562	
Bonds payable	1,286,510	
Notes payable	1,084,107	
Net OPEB liability	4,363,491	
Unpaid claims		5,609,375
Total noncurrent liabilities	<u>7,059,670</u>	<u>5,609,375</u>
Total liabilities	<u>8,023,823</u>	<u>12,038,242</u>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows related to pension	<u>225,235</u>	
<b>Net Position:</b>		
Net investment in capital assets	20,875,002	
Restricted for pensions	8,807,480	
Unrestricted	4,628,614	12,623,877
Total Net Position	<u>\$ 34,311,096</u>	<u>\$ 12,623,877</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 POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
Operating revenues:		
Charges for services	\$ 7,676,800	\$ 37,218,449
Contributions		35,150
Miscellaneous	547,871	414,440
Total operating revenues	<u>8,224,671</u>	<u>37,668,039</u>
Operating expenses:		
Source of supply	232,074	
Pumping	313,995	
Purification	989,765	
Transmission and distribution	1,789,251	
Customer accounts, administrative and general	2,445,622	
Depreciation	1,136,286	
Taxes other than income taxes	540,879	
Insurance claims, premiums and fees		40,728,264
Total operating expenses	<u>7,447,872</u>	<u>40,728,264</u>
Operating income (loss)	<u>776,799</u>	<u>(3,060,225)</u>
Nonoperating revenues (expenses):		
Income (loss) on investments	(36,629)	153,946
Interest expense	(85,499)	
Amortization of debt discount and expense	14,118	
Total nonoperating revenues (expenses)	<u>(108,010)</u>	<u>153,946</u>
Change in Net Position	668,789	(2,906,279)
Net Position at Beginning of Year	<u>33,642,307</u>	<u>15,530,156</u>
Net Position at End of Year	<u>\$ 34,311,096</u>	<u>\$ 12,623,877</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, 2019**

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from charges for services and contributions	\$ 8,038,332	\$ 37,232,392
Cash received from other operating revenue		(36,102)
Cash paid to employees	(2,799,486)	
Cash paid to suppliers	(4,044,122)	
Cash payment for claims paid		(40,264,526)
Deposits paid back to customers	(44,584)	
Cash paid for interfund services used		225,954
Net cash provided by (used in) operating activities	<u>1,150,140</u>	<u>(2,842,282)</u>
<b>Cash Flows from Capital Financing Activities:</b>		
Purchase of capital assets/utility plant	(1,540,665)	
Issuance of notes	497,096	
Loss on disposal of assets	7,706	
Principal payments on bonds and notes	(295,255)	
Interest payments and issuance costs	(79,013)	
Net cash provided by (used in) capital and related financing activities	<u>(1,410,131)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales and maturities of investments	5,314,711	
Income on investments	(36,629)	153,946
Net cash provided by (used in) investing activities	<u>5,278,082</u>	<u>153,946</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,018,091	(2,688,336)
Cash and Cash Equivalents at Beginning of Year	<u>1,850,983</u>	<u>25,804,525</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,869,074</u>	<u>\$ 23,116,189</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>		
Operating income (loss)	\$ <u>776,799</u>	\$ <u>(3,060,225)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,136,286	
(Increase) decrease in due from other funds		
(Increase) decrease in accounts receivable	(186,339)	13,943
(Increase) decrease in inventory	3,077	
(Increase) decrease in other assets	(1,379)	(454,167)
(Increase) decrease in net pension assets	470,541	
(Increase) decrease in deferred outflows	(1,198,160)	
(Increase) decrease in due from other funds		225,954
Increase (decrease) in accounts payable	(40,441)	122,564
Increase (decrease) in unearned revenues		(31,525)
Increase (decrease) in accrued liabilities	(46,485)	
Increase (decrease) in accrued compensated absences	12,566	
Increase (decrease) in unpaid claims		341,174
Increase (decrease) in customer deposits	(44,584)	
Increase (decrease) in net OPEB liability	734,512	
Increase (decrease) in deferred inflows	(466,253)	
Total adjustments	<u>373,341</u>	<u>217,943</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,150,140</u>	<u>\$ (2,842,282)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<b>Pension and OPEB Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 23,279,064	\$ 867,626
Investments, at fair value:		
Certificates of deposit		64,707
U.S. government securities	6,437,341	
U.S. government agencies	10,758,650	
Corporate bonds	13,140,972	
Mutual funds	55,444,803	
Common stock	332,081,507	
Alternative Investments	224,996,303	
Total investments	<u>642,859,576</u>	<u>64,707</u>
Receivables:		
Accounts receivable	<u>6,971</u>	
Total assets	<u>666,145,611</u>	<u>932,333</u>
<b>Liabilities:</b>		
Accounts payable		4,036
Due to senior citizens		151,960
Due to student groups		<u>776,337</u>
Total liabilities	<u>-</u>	<u>932,333</u>
<b>Net Position:</b>		
Restricted for pension benefits	653,838,154	
Restricted for OPEB benefits	<u>12,307,457</u>	
Total Net Position	<u>\$ 666,145,611</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN NET POSITION  
 PENSION TRUST FUNDS AND OPEB TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Pension and OPEB Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 7,917,323
Plan members	2,624,896
Total contributions	<u>10,542,219</u>
Investment income:	
Net appreciation in fair value of investments	29,471,967
Interest and dividends	5,759,470
Total	<u>35,231,437</u>
Less investment expense	<u>(4,442,374)</u>
Total investment income	<u>30,789,063</u>
Total additions	<u>41,331,282</u>
Deductions:	
Benefits	32,105,710
Administration	177,904
Total deductions	<u>32,283,614</u>
Net Change	9,047,668
Net Position at Beginning of Year	<u>657,097,943</u>
Net Position at End of Year	<u>\$ <u>666,145,611</u></u>

The accompanying notes are an integral part of the financial statements

## **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.

GAAP require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Codification Section 2100 have been considered and have resulted in the inclusion of one discretely presented component unit as detailed below.

### **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 eighty percent (88%) 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.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the 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.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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Separate fund 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 *Special Education Grant Fund* is used to account for U.S. Department of Education, State Department of Education and local grants related to education.

The City reports the following major proprietary fund:

- The *Water 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.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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- The *Pension and OPEB Trust Funds* account for the activities of the City Pension and Other Postemployment Benefits (OPEB) Plans, which accumulate resources for pension and OPEB benefit 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.

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 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.”

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 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.

Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of \$404,030. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor’s ability to pay.

**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. Net Pension Asset**

The net pension asset is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan’s fiduciary net position. The pension plan’s fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension asset is measured as of a date (measurement date) no earlier than the end of the employer’s prior fiscal year, consistently applied from period to period. The investments in the calculation of the net pension liability are measured at fair value.

**H. 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 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation.

**CITY OF BRISTOL, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019**

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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

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, and net difference between projected and actual earnings. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pension and OPEB in the government-wide statement of net position and proprietary funds statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. The governmental funds report unavailable revenues from several sources: property taxes, special assessments and sewer use. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**J. 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.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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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.

Compensated absences to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for the amounts that have become due.

### **K. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

### **L. Net OPEB Liability**

The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

### **M. Fund Equity**

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

- *Net Investment in Capital Assets* - This component of net position 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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- *Restricted Net Position* - Restrictions 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 Position* - This component consists of net position that does 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 other 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* - This represents 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.

**N. Accounting Estimates**

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

**O. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is December 19, 2019.

**P. Adoption of New Accounting Pronouncements**

For the year ended June 30, 2019, the City implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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GASB Statement 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The dismantling and removal of a sewage plant and the decommissioning of a nuclear reactor are examples of where capital assets might need to be retired.

GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, redefines the word “debt” for purposes of disclosures. Requirements to disclose summarized information on unused lines of credit, assets pledged as collateral for debt and terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences and subjective acceleration clauses. Disclosure information is separated between direct borrowings and direct placements of debt from other forms of debt.

## **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 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. Revisions in excess of \$5,000 require Board of Finance and City Council approval. All budget revisions must be approved. Additional appropriations in the amount of approximately \$10,945,000 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 GAAP since they do not constitute expenditures or liabilities. Encumbrances do not impact the classification of fund balance.

Also, the City has reported on-behalf payments made by the State of Connecticut into the teachers' retirement system for Pension and OPEB Plans in the Governmental Funds.

**CITY OF BRISTOL, CONNECTICUT  
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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.

**B. Fund Deficit**

At June 30, 2019, the City reported negative fund balance/net position of \$377 in the Special Education Grants Fund. This will be funded with future revenues.

**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). This investment pool is 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 City’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.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$125,543,781 of the City's bank balance of \$133,495,136 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 112,820,592
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>12,723,189</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 125,543,781</u>

At June 30, 2019, the entire amount of the component unit's deposits were included as part of pooled cash with the City's cash accounts. Responsibility for custodial credit risk of deposits for the component unit rests with the City.

**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, 2019, the cash equivalent amounted to \$11,268,859. 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 &amp; Poor's</u>
State of Connecticut Short-Term Investment Fund	AAAm
MultiBank	*
Northern Capital Securities	*

\* Not Rated

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 110,956,105
Investments	<u>11,566,535</u>
Total statement of net position	<u>122,522,640</u>
Fiduciary funds:	
Cash and cash equivalents	24,146,690
Investments	<u>642,924,283</u>
Total fiduciary funds	<u>667,070,973</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 789,593,613</u>

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**B. Investments**

Investments as of June 30, 2019 in all funds are as follows:

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1-10	More Than 10
Investment by fair value level:				
Certificate of Deposit*	\$ 6,251,953 *	\$ 2,868,880	\$ 3,382,452	\$ 621
U.S. Government Securities	6,437,341		2,498,467	3,938,874
U.S. Government Agencies	15,140,536	2,882,938	1,803,450	10,454,148
Corporate Bonds	<u>13,140,972</u>	<u>232,832</u>	<u>8,718,786</u>	<u>4,189,354</u>
Total	40,970,802	\$ <u>5,984,650</u>	\$ <u>16,403,155</u>	\$ <u>18,582,997</u>
Other investments:				
Common stock	332,081,507			
Mutual funds	56,442,206			
Alternative investments	<u>224,996,303</u>			
Total Investments	\$ <u>654,490,818</u>			

\*Subject to coverage by federal depository insurance and collateralization.

Average rating for of investments in debt securities at June 30, 2019 is as follows:

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies	Certificate of Deposit	Total
Aaa	\$ 453,588	\$ 6,437,341	\$ 4,381,886	\$	\$ 11,272,815
Aa1	275,105				275,105
Aa2	1,464,290				1,464,290
Aa3	419,897				419,897
A1	352,832				352,832
A2	984,960				984,960
A3	652,880				652,880
Baa1	1,283,197				1,283,197
Baa2	2,174,027		242,311		2,416,338
Baa3	2,731,452				2,731,452
Ba1	378,515				378,515
Ba2	231,469				231,469
Ba3	755,506				755,506
B1	478,885				478,885
B2	156,400				156,400
Unrated	<u>347,969</u>		<u>10,516,339</u>	<u>6,251,953</u>	<u>17,116,261</u>
	\$ <u>13,140,972</u>	\$ <u>6,437,341</u>	\$ <u>15,140,536</u>	\$ <u>6,251,953</u>	\$ <u>40,970,802</u>

**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. 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 5% 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, 2019, 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.

The City's individual investments in fixed income securities, equities, U.S. treasury securities, domestic corporate bonds, foreign bonds, and U.S. government agency securities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the City's pension and OPEB plans. The City's other investments are held in alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**C. Fair Value**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2019:

<u>Investment Type</u>	<u>June 30, 2019</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 6,437,341	\$ 6,437,341	\$	\$
U.S. Government Agencies	15,140,536	15,140,536		
Corporate Bonds	13,140,972	13,140,972		
Common Stock	332,081,507	332,081,507		
Mutual Funds	<u>56,442,206</u>	<u>56,442,206</u>		
Total investments by fair market value level	423,242,562	<u>\$ 423,242,562</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Alternative Investments	<u>224,996,303</u>			
Total investments measured at fair value	648,238,865			
Certificate of Deposit	<u>6,251,953</u>			
Total Investments	<u>\$ 654,490,818</u>			

Debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

The Pension and OPEB Trust Funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships; infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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NAV per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The City values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

The following table summarizes all investments recorded using NAV as a practical expedient to fair value:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Alternative Investments	\$ 105,342,558	\$ 49,413,856	N/A	N/A
Alternative Investments	109,198,808		Quarterly	30-60 days
Alternative Investments	9,997,704		Annual	60 days
Alternative Investments	<u>457,233</u>		Monthly	185 days
	<u>\$ 224,996,303</u>			

Private equity funds include limited partnership funds. These investments can never be redeemed with funds. Instead, the nature of the investments in this type is that distributions are received through liquidation of the underlying assets of the fund capital. As of June 30, 2019, it is probable that all of the investments in this type will be sold at an amount different from NAV per share (or its equivalent) of the Plan’s ownership interest in partners’ capital. Therefore, the fair values of the investments in this type have been determined using recent observation transaction information for similar investments and nonbinding bids received from potential buys of the investments.

Real estate funds include real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalents) of the Plan’s ownership interest in partners’ capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investments will be sold, the fair value of each individual investments has been determined using the NAV per share (or its equivalents) of the Plan’s ownership interest in partners’ capital.

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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>Special Education Grants</u>	<u>Water Enterprise Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 3,482,721	\$	\$	\$	\$	\$ 3,482,721
Interest	1,292,448					1,292,448
Accounts	785,983			1,630,618	307,103	2,723,704
Special assessments				64,503	451,057	515,560
Intergovernmental	<u>552,185</u>	<u>3,296,446</u>	<u>25,146</u>		<u>995,305</u>	<u>4,869,082</u>
Gross receivables	6,113,337	3,296,446	25,146	1,695,121	1,753,465	12,883,515
Less allowance for uncollectibles	<u>310,000</u>			<u>94,030</u>		<u>404,030</u>
Net Total Receivables	<u>\$ 5,803,337</u>	<u>\$ 3,296,446</u>	<u>\$ 25,146</u>	<u>\$ 1,601,091</u>	<u>\$ 1,753,465</u>	<u>\$ 12,479,485</u>

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

General Fund:	
Uncollectibles related to taxes receivable	\$ 300,000
Uncollectibles related to accounts receivable	10,000
Water Enterprise Fund:	
Uncollectibles related to accounts receivable	<u>94,030</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 404,030</u>

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**5. CAPITAL ASSETS**

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

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 18,651,113	\$ 25,760	\$ (114,350)	\$	\$ 18,562,523
Construction in progress	5,954,233	3,914,132		(2,676,682)	7,191,683
Total capital assets not being depreciated	<u>24,605,346</u>	<u>3,939,892</u>	<u>(114,350)</u>	<u>(2,676,682)</u>	<u>25,754,206</u>
Capital assets being depreciated:					
Buildings	315,685,302	286,210	(96,456)	408,541	316,283,597
Improvements other than buildings	16,643,232	21,000			16,664,232
Machinery and equipment	85,075,330	4,746,291	(1,486,063)	1,439,301	89,774,859
Infrastructure	257,462,754	1,994,622	(1,759,026)	828,840	258,527,190
Total capital assets being depreciated	<u>674,866,618</u>	<u>7,048,123</u>	<u>(3,341,545)</u>	<u>2,676,682</u>	<u>681,249,878</u>
Less accumulated depreciation for:					
Buildings	(130,651,096)	(7,322,499)			(137,973,595)
Improvements other than buildings	(13,036,799)	(2,044,439)			(15,081,238)
Machinery and equipment	(53,943,696)	(4,021,617)	2,665,388		(55,299,925)
Infrastructure	(142,553,973)	(2,878,704)	512,744		(144,919,933)
Total accumulated depreciation	<u>(340,185,564)</u>	<u>(16,267,259)</u>	<u>3,178,132</u>	<u>-</u>	<u>(353,274,691)</u>
Total capital assets being depreciated, net	<u>334,681,054</u>	<u>(9,219,136)</u>	<u>(163,413)</u>	<u>2,676,682</u>	<u>327,975,187</u>
Governmental Activities Capital Assets, Net	<u>\$ 359,286,400</u>	<u>\$ (5,279,244)</u>	<u>\$ (277,763)</u>	<u>\$ -</u>	<u>\$ 353,729,393</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,752,140	\$	\$	\$	\$ 2,752,140
Construction in progress	1,134,564	538,183			1,672,747
Total capital assets not being depreciated	<u>3,886,704</u>	<u>538,183</u>	<u>-</u>	<u>-</u>	<u>4,424,887</u>
Capital assets being depreciated:					
Buildings and system	38,256,949	828,049			39,084,998
Machinery and equipment	6,924,609	174,433	(30,132)		7,068,910
Total capital assets being depreciated	<u>45,181,558</u>	<u>1,002,482</u>	<u>(30,132)</u>	<u>-</u>	<u>46,153,908</u>
Less accumulated depreciation for:					
Buildings and system	(21,485,952)	(809,132)			(22,295,084)
Machinery and equipment	(4,463,688)	(327,154)	18,330		(4,772,512)
Total accumulated depreciation	<u>(25,949,640)</u>	<u>(1,136,286)</u>	<u>18,330</u>	<u>-</u>	<u>(27,067,596)</u>
Total capital assets being depreciated, net	<u>19,231,918</u>	<u>(133,804)</u>	<u>(11,802)</u>	<u>-</u>	<u>19,086,312</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,118,622</u>	<u>\$ 404,379</u>	<u>\$ (11,802)</u>	<u>\$ -</u>	<u>\$ 23,511,199</u>

**CITY OF BRISTOL, CONNECTICUT  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 346,333
Public safety	1,915,621
Public works	6,971,823
Health and welfare	6,444
Libraries	549,730
Parks and recreation	469,824
Education	<u>6,007,484</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>16,267,259</u>
 Business-Type Activities	
Water	<u>\$ 1,136,286</u>

**Construction Commitments**

The City has several active construction projects as of June 30, 2019. The following is a summary of capital projects as of June 30, 2019:

	<u>Project Authorization (in thousands)</u>	<u>Cumulative Expenditures (in thousands)</u>	<u>Remaining Balance (in thousands)</u>
Schools	\$ 159,718	\$ 100,092	\$ 59,626
Streets, bridges and building improvements	70,714	54,278	16,436
Capital and nonrecurring	<u>58,025</u>	<u>50,727</u>	<u>7,298</u>
 Total	 \$ <u>288,457</u>	 \$ <u>205,097</u>	 \$ <u>83,360</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, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 244,848	\$ 18,287	\$ (10,488)	\$ 252,647
Less accumulated depreciation for:				
Furniture and equipment	<u>(192,514)</u>	<u>(9,455)</u>	<u>8,089</u>	<u>(193,880)</u>
 District Capital Assets, Net	 \$ <u>52,334</u>	 \$ <u>8,832</u>	 \$ <u>(2,399)</u>	 \$ <u>58,767</u>

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2019, 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	\$ 314,557
General Fund	Special Education Grants Fund	279,037
Special Education Grants	Nonmajor Governmental Funds	31,158
Internal Service	Special Education Grants Fund	<u>1,056,220</u>
Total		<u>\$ 1,680,972</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 Transfers Out</u>
	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Govern- mental</u>	
Transfers out:				
General Fund	\$ 8,900,000	\$ 1,613,000	\$ 3,511,643	\$ 14,024,643
Debt Service Fund		190,000		190,000
Capital Projects	33,994		50,000	83,994
Nonmajor Governmental Funds	<u>135,000</u>	<u>1,902,640</u>		<u>2,037,640</u>
Total Transfers In	<u>\$ 9,068,994</u>	<u>\$ 3,705,640</u>	<u>\$ 3,561,643</u>	<u>\$ 16,336,277</u>

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

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**7. LEASES**

**Operating Leases**

The City leases computers under noncancelable operating leases. Total costs for such leases were \$878,074 for the year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30</b>	
2020	\$ 833,948
2021	665,198
2022	372,356
2023	133,607
	<u>\$ 2,005,109</u>

**8. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds and notes payable:					
General obligation bonds	\$ 62,093,000	\$ 30,400,000	\$ 6,192,000	\$ 86,301,000	\$ 6,931,000
Notes payable	9,376,432		621,320	8,755,112	659,875
Premium on general obligation bonds	6,410,408	101,099	684,189	5,827,318	
Total bonds and notes payable	<u>77,879,840</u>	<u>30,501,099</u>	<u>7,497,509</u>	<u>100,883,430</u>	<u>7,590,875</u>
Compensated absences	9,018,661	915,056	1,358,614	8,575,103	1,389,476
Landfill postclosure care	1,409,614	1,938	63,000	1,348,552	63,000
Net OPEB liability	52,566,838	7,888,155		60,454,993	
Unpaid claims	<u>10,594,781</u>	<u>40,728,264</u>	<u>40,387,090</u>	<u>10,935,955</u>	<u>5,326,580</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 151,469,734</u>	<u>\$ 80,034,512</u>	<u>\$ 49,306,213</u>	<u>\$ 182,198,033</u>	<u>\$ 14,369,931</u>

**CITY OF BRISTOL, CONNECTICUT  
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JUNE 30, 2019**

**Business-Type Activities:**

Bonds and notes payable:					
General obligation bonds	\$ 1,662,000	\$	\$ 258,000	\$ 1,404,000	\$ 269,000
Premium on general obligation bonds	183,762		32,252	151,510	
Notes payable	695,678	497,096	37,255	1,155,519	71,412
Total bonds payable and notes payable	<u>2,541,440</u>	<u>497,096</u>	<u>327,507</u>	<u>2,711,029</u>	<u>340,412</u>
Compensated absences	362,249	61,406	48,841	374,814	49,252
Net OPEB liability	<u>3,628,979</u>	<u>734,512</u>		<u>4,363,491</u>	
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 6,532,668</u>	<u>\$ 1,293,014</u>	<u>\$ 376,348</u>	<u>\$ 7,449,334</u>	<u>\$ 389,664</u>

**Component Unit:**

Compensated Absences	<u>\$ 75,883</u>	<u>\$ 58,972</u>	<u>\$ 59,087</u>	<u>\$ 75,768</u>	<u>\$ 58,705</u>
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For the governmental activities, compensated absences, landfill post closure and OPEB liabilities are generally liquidated by the General Fund.

**Bond Anticipation Notes**

Bond anticipation notes payable activity for the year ended June 30, 2019 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	10/19/17	07/18/18	2.00%	\$ 4,000,000	\$	\$ 4,000,000	\$ -
Bond anticipation notes	05/29/18	10/25/18	2.25%	11,800,000		11,800,000	-
Bond anticipation notes	07/18/18	10/25/18	2.85%		<u>3,810,000</u>	<u>3,810,000</u>	-
Total				<u>\$ 15,800,000</u>	<u>\$ 3,810,000</u>	<u>\$ 19,610,000</u>	<u>\$ -</u>

**CITY OF BRISTOL, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**General Obligation Bonds**

General obligation bonds as of June 30, 2019 were comprised of the following:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2019</u>
General City Bonds:					
General improvement:					
2012 Refunding	08/11/11	07/15/22	3.00-5.00	15,589,000	\$ 6,222,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	4,126,000	3,086,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	1,739,000	16,690,000
2017 Refunding	11/09/17	08/01/30	3.00-5.00	5,437,000	5,185,000
2018 Issue - Series A	10/25/18	10/15/38	2.50-5.00	18,094,096	18,094,096
2018 Issue - Series B	10/25/18	10/15/38	3.65-4.05	7,900,000	<u>7,900,000</u>
Total general improvement bonds					<u>57,177,096</u>
School:					
2012 Refunding	08/11/11	07/15/22	3.00-5.00	6,234,000	2,779,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	2,991,000	149,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	3,391,000	3,195,000
2017 Refunding	11/09/17	08/01/30	3.00-5.00	16,094,000	15,351,000
2018 Issue - Series A	10/25/18	10/15/38	2.50-5.00	4,280,904	<u>4,280,904</u>
Total school bonds					<u>25,754,904</u>
Sewers:					
2017 Refunding	11/09/17	08/01/30	3.00-5.00	3,401,000	3,244,000
2018 Issue - Series A	10/25/18	10/15/38	2.50-5.00	125,000	<u>125,000</u>
Total sewer bonds					<u>3,369,000</u>
Total governmental activities					<u>86,301,000</u>
Water Department:					
Enterprise Fund Bonds:					
Water 2012 Refunding	08/11/11	07/15/22	3.00-5.00	2,112,000	924,000
Water 2017 Refunding	11/09/17	08/01/30	3.00-5.00	503,000	<u>480,000</u>
Total Business-Type Activities					<u>1,404,000</u>
Total Bonded Indebtedness					<u>\$ 87,705,000</u>

**CITY OF BRISTOL, CONNECTICUT  
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General obligation 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, 2019 are as follows:

	General Obligation Bonds					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 6,931,000	\$ 3,228,706	\$ 269,000	\$ 54,900	\$ 7,200,000	\$ 3,283,606
2021	7,357,000	2,905,660	278,000	42,570	7,635,000	2,948,230
2022	7,601,000	2,558,635	279,000	29,845	7,880,000	2,588,480
2023	6,515,000	2,241,445	245,000	19,310	6,760,000	2,260,755
2024	5,315,000	1,963,431	40,000	13,550	5,355,000	1,976,981
2025-2029	25,031,000	6,864,022	209,000	38,615	25,240,000	6,902,637
2030-2034	18,336,000	3,036,280	84,000	3,360	18,420,000	3,039,640
2035-2039	9,215,000	775,562			9,215,000	775,562
Total	\$ 86,301,000	\$ 23,573,741	\$ 1,404,000	\$ 202,150	\$ 87,705,000	\$ 23,775,891

**Notes Payable**

The City has ten State of Connecticut Clean Water Fund serial notes outstanding. These notes were issued to finance improvements to the sewer plant, pump stations and the water distribution infrastructure. A schedule of notes payable at June 30, 2019 is presented below:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2019
Governmental Activities:					
Capital Projects Fund:					
Clean Water Fund Note 498-D/C	06/30/02	06/30/21	2.00	\$ 1,483,000	\$ 174,761
Clean Water Fund Note 415-D/C	06/30/02	06/30/21	2.00	1,410,000	166,061
Clean Water Fund Note 504-C	12/31/03	12/31/22	2.00	1,488,000	302,282
Clean Water Fund Note 562-C	11/30/04	11/30/23	2.00	694,000	176,175
Clean Water Fund Note 464-C	05/31/06	03/31/26	2.00	470,000	180,715
Clean Water Fund Note 622-CSL	01/01/16	01/31/35	2.00	631,833	508,400
Clean Water Fund Note 640-DC	03/03/16	08/31/38	2.00	7,530,046	7,246,718
Total Governmental Activities					8,755,112
Business-Type Activities:					
Water Fund:					
Water 2014 Note	12/31/14	12/31/33	2.00	501,000	378,980
Water 2015 Note	09/30/15	03/31/35	2.00	344,155	279,443
Water 2019 Note	10/16/18	01/31/39	2.00	497,096	497,096
Total Business-Type Activities					1,155,519
Total Notes Payable					\$ 9,910,631

**CITY OF BRISTOL, CONNECTICUT  
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The annual debt service requirements of notes payable are as follows:

	<b>Notes Payable</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2020	\$ 659,875	\$ 169,076	\$ 71,413	\$ 21,700	\$ 731,288	\$ 190,776
2021	673,196	155,756	59,586	21,138	732,782	176,894
2022	511,195	143,772	60,789	19,936	571,984	163,708
2023	476,578	133,640	62,016	18,708	538,594	152,348
2024	416,358	124,782	63,268	17,457	479,626	142,239
2025-2029	2,023,358	502,356	336,023	67,603	2,359,381	569,959
2030-2034	2,181,581	294,009	356,201	32,357	2,537,782	326,366
2035-2039	1,812,971	75,764	146,223	6,324	1,959,194	82,088
<b>Total</b>	<b>\$ 8,755,112</b>	<b>\$ 1,599,155</b>	<b>\$ 1,155,519</b>	<b>\$ 205,223</b>	<b>\$ 9,910,631</b>	<b>\$ 1,804,378</b>

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

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 317,241,000	\$ 68,693,849	\$ 248,547,151
Schools	634,482,000	104,702,488	529,779,512
Sewers	528,735,000	16,525,568	512,209,432
Urban renewal	458,237,000		458,237,000
Pension deficit	422,988,000		422,988,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$986,972,000.

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	\$ 39,163,173
Schools	141,075,282
Sewers	<u>11,595,922</u>
	<u>\$ 191,834,377</u>

Additionally, net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$96,968,584.

Water system related debt of \$2,559,519 has been excluded from the calculation

**CITY OF BRISTOL, CONNECTICUT  
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**Prior Year Defeasance of Debt**

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. At June 30, 2019, \$25,500,000 of prior bonds outstanding is considered defeased and escrow balance is \$25,753,343.

**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 BRRFOC has passed all costs of properly closing the City’s landfill site to the BRRFOC and the related contracting communities. Solid waste landfill closure and post closure care requirements have been established by the State of Connecticut Department of Energy and Environmental Protection and the Federal Environmental Protection Agency. The costs associated with monitoring and maintaining the landfill area during the post closure period are the responsibility of the City. The projected costs of this post closure period are \$1,348,552 as of June 30, 2019. 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, Express Scripts 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 \$10,935,955 reported in the Internal Service Fund at June 30, 2019 is based on GASB 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>		<u>Claims and Changes In Estimates</u>		<u>Claim Payment</u>		<u>Liability June 30,</u>
2017-2018	\$ 11,832,599	\$	38,925,837	\$	40,163,655	\$	10,594,781
2018-2019	10,594,781		40,728,264		40,387,090		10,935,955

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

**CITY OF BRISTOL, CONNECTICUT  
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**11. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Special Education Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 52,306	\$ 52,306
Prepays	3,471					3,471
Trust purpose					1,044,948	1,044,948
Restricted for:						
Grants					4,980,419	4,980,419
Debt service		1,262,007				1,262,007
Committed to:						
Landfill closure	607,495					607,495
Compensated absences	2,500,000					2,500,000
School renovations			2,209,700			2,209,700
Capital improvements			5,393,678			5,393,678
Capital and nonrecurring			3,302,817			3,302,817
Capital and nonrecurring WPCA			6,843,730			6,843,730
Equipment					3,991,985	3,991,985
Education					629,256	629,256
Manross Memorial Library					925,698	925,698
Sewer					6,083,796	6,083,796
Solid waste disposal					327,767	327,767
Community development					54,532	54,532
Pine Lake challenge course					94,142	94,142
Transfer station					410,971	410,971
Open space					4,065	4,065
Centre Mall					477,917	477,917
Trust purpose					148,429	148,429
Assigned to:						
General government - carryover	4,412,531				218,068	4,630,599
Economic Development - carryover	1,000,000					1,000,000
Mill rate stabilization fund	1,650,000					1,650,000
General government encumbrances	6,515					6,515
Public safety encumbrances	55,087					55,087
Public works encumbrances	197,703					197,703
Health and welfare encumbrances	14,852					14,852
Miscellaneous encumbrances	24					24
Unassigned	<u>29,562,034</u>			<u>(377)</u>		<u>29,561,657</u>
Total Fund Balances	<u>\$ 40,009,712</u>	<u>\$ 1,262,007</u>	<u>\$ 17,749,925</u>	<u>\$ (377)</u>	<u>\$ 19,444,299</u>	<u>\$ 78,465,566</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$274,181 and committed and restricted fund balance for Nonmajor Governmental Funds of \$1,035,351.

**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, 2019, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

**13. OTHER POSTEMPLOYMENT BENEFITS**

**City Plan**

**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 the City 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. The City does not issue stand-alone financial statements for this program.

At July 1, 2018, plan membership consisted of the following:

	<b>Retiree Healthcare Plan</b>
Active plan members	1,519
Retired members	548
Total Participants	<u>2,067</u>

**B. Funding Policy**

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.

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 actuarially determined contribution of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

**CITY OF BRISTOL, CONNECTICUT  
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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.

**C. Investments**

**Investment Policy**

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 4.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net OPEB Liability of the City**

For the year ended June 30, 2019, the City recognized a net OPEB Liability of \$64,818,484, of which \$60,454,993 was reported in the governmental activities and \$4,363,491 in the business-type activities. The City's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability of the City at June 30, 2019 were as follows:

Total OPEB liability	\$	77,125,941
Plan fiduciary net position		<u>12,307,457</u>
Net OPEB Liability	\$	<u><u>64,818,484</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		15.96%

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**Actuarial Assumptions**

The total OPEB liability at June 30, 2019 was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	Varies by group
Discount rate	7.00%
Expected return on assets	7.00%
Healthcare cost trend rates	5.50% to 4.20% over 55 years
Mortality rates	BOE Certified: RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. This assumption includes a margin for mortality improvement beyond the valuation date.  All Others: RP-2000 Mortality Table for Employees and Healthy Annuitants with generational projection per Scale BB. This assumption includes a margin for mortality improvements beyond the valuation date.

Each of the assumption used in this valuation (except for BOE Certified) was set based on a formal study of the pension plan’s experience for the period July 1, 2011 through June 30, 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The arithmetic long-term expected real rate of return is 7.00%. The target allocation for each major asset as of June 30, 2019 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	22.55 %	0.36 %
U.S. Short Bonds	1.24	1.58
U.S. Interm Bonds	9.71	1.95
U.S. Long Bonds	4.97	3.38
U.S. High Yield Bonds	2.47	4.29
U.S. Large Caps	17.21	4.33
U.S. Small Caps	2.75	5.56
U.S. Mid Caps	8.21	4.86
Foreign Developed Equity	8.22	5.55
Emerging Markets Equity	7.11	7.88
Private Equity	0.60	8.96
Hedge FOF Diversified	14.96	1.97
	<u>100.00 %</u>	

**CITY OF BRISTOL, CONNECTICUT  
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**E. Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00%, a decrease from 7.20% reported in the prior year. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**F. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2018	\$ 66,122,204	\$ 9,926,387	\$ 56,195,817
Changes for the year:			
Service cost	1,900,749		1,900,749
Interest on total OPEB liability	4,668,876		4,668,876
Effect of plan changes	1,759,188		1,759,188
Differences between expected and actual experience	(2,179,655)		(2,179,655)
Effect of assumptions changes or inputs	11,321,902		11,321,902
Employer contributions		7,917,323	(7,917,323)
Member contributions		390,715	(390,715)
Net investment income		540,355	(540,355)
Benefit payments	(6,467,323)	(6,467,323)	-
Net changes	<u>11,003,737</u>	<u>2,381,070</u>	<u>8,622,667</u>
Balances as of June 30, 2019	<u>\$ 77,125,941</u>	<u>\$ 12,307,457</u>	<u>\$ 64,818,484</u>

**G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
	Net OPEB Liability	\$ <u>70,602,985</u>	\$ <u>64,818,484</u>

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**H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.50% decreasing to 3.20%) or 1 percentage point higher (6.50% decreasing to 5.20%) than the current healthcare cost trend rates:

	<b>1% Decrease (4.50% Decreasing to 3.20%)</b>	<b>Healthcare Cost Trend Rates (5.5% Decreasing to 4.20%)</b>	<b>1% Increase (6.50% Decreasing to 5.20%)</b>
Net OPEB Liability	\$ 57,975,920	\$ 64,818,484	\$ 72,683,543

**I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City recognized OPEB expense of \$8,417,621, of which \$7,976,944 was reported in the governmental activities and \$440,677 in the business-type activities. At June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 2,160,753	\$ 243,707	\$
Changes of assumptions or other inputs	9,814,990		574,856	
Net difference between projected and actual earnings on OPEB plan investments	350,879			
Total	\$ 10,165,869	\$ 2,160,753	\$ 818,563	\$ -

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

<b><u>Year Ending June 30</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
2020	\$ 1,120,458	\$ 140,301	\$ 1,260,759
2021	1,120,458	140,301	1,260,759
2022	1,120,457	140,301	1,260,758
2023	1,067,734	140,301	1,208,035
2024	1,019,557	140,301	1,159,858
Thereafter	2,556,452	117,058	2,673,510

**Other Post Employment Benefit - Connecticut State Teachers Retirement Plan**

**A. Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**B. Benefit Provisions**

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

**C. Eligibility**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Credited Service**

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**Normal Retirement**

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

**D. Contributions**

*State of Connecticut*

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

School District employers are not required to make contributions to the plan.

*Employees*

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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**E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		<u>36,202,980</u>
Total	\$	<u><u>36,202,980</u></u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2019, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the City recognized OPEB expense and revenue of \$(12,026,609) in Exhibit II for on-behalf amounts for the benefits provided by the State.

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

#### **G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

#### **H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

#### **I. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

### **14. EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN**

#### **A. City Retirement System**

##### **Plan Description**

The City is the administrator of the City Retirement System Pension Plan a defined benefit single-employer Public Employee Retirement System (PERS). The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as pension trust fund. There are no stand-alone financial statements issued for the PERS. This plan was established and can be amended under the authority of the City Charter.

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The management of the City retirement system is vested in a retirement board consisting of twelve (12) members, as follows: A member of the City Council, a member of the Board of Finance, the comptroller, the treasurer, three (3) electors of the City, none of whom shall be an officer or employee of the City, one elector of the City who shall be a member of the City’s employees’ local number 1338 of the American Federation of State, County and Municipal Employees, AFL-CIO, one elector of the City who shall be a member of the City’s employees’ Bristol Professionals and Supervisors Association (BPSA), one member of the City’s Bristol Police Union, one member of the City’s Local Number 773 International Association of Firefighters, and the mayor, ex officio. All members, except the comptroller, the treasurer and the mayor, shall be nominated by the mayor and confirmed by the City Council. The members representing the City Council and the Board of Finance shall be appointed for terms of two (2) years and three (3) years, respectively. The other members of the retirement board shall be appointed for five-year terms. The term of office of each appointed member shall continue until a successor is appointed and has qualified. In the event of a vacancy on such board, such vacancy shall be filled in the same manner as the member to be succeeded was appointed or elected. In no event shall any person remain a member of such retirement board except during the time he continues to be a member of the board or body from which he was appointed or elected.

At July 1, 2018, PERS membership consisted of:

	<b>City of Bristol Retirement System</b>
Retirees, disabled and beneficiaries currently receiving benefits	791
Terminated employees entitled to benefits but not yet receiving them	104
Active members	936
Total	1,831

The City of Bristol General Retirement System consists of three divisions serving and pertaining to full-time City employees, excluding teachers, as follows:

The City of Bristol Employees division covers all full-time employees (except fire, police and teachers). 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 and normal retirement is when their age plus service is equal to 80 with a minimum age of 55. The retirement benefit for life is 2.40% of average annual pay times the number of completed years of service. If an employee leaves employment or dies before meeting vesting requirements, accumulated employee contributions and interest are refunded.

Recently negotiated contracts provide for a modified benefit formula for new hires. The effective date of this provision varies by contract. Employees who retire at normal retirement receive a retirement benefit for life of 2.0% but in no event shall the total amount of the pension benefit exceed seventy two percent (72%) of base pay. City employees hired after the applicable effective date per union contract contribute seven (7%) of base pay on a pre-tax basis.

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Firefighters' division covers all members of the Fire Department and 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  $\frac{1}{4}$  of an employee's unused sick leave paid out at the time of retirement), adjusted for cost of living. Benefit payments are adjusted annually to reflect salary increases granted to active employees in their bargaining group which 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.

Police division covers all members of the Police Department and 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  $\frac{1}{4}$  of an employee's unused sick leave paid out at the time of retirement if applicable.

Police retirees also receive automatic post-retirement increases on retiree pensions. The pension is adjusted by 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 2.50% 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.

### **Summary of Significant Accounting Policies and Plan Asset Matters**

#### **Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Administrative costs of the plans are paid from pension fund resources.

#### **Contributions**

Employees covered under the City of Bristol Employees Division are required to contribute 6% of pay. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions and interest are refunded. Depending on union contract, new hires contribute 7% effective July 1, 2018. Of the 6% (7% for new hires) 1.5% of City employee contributions are diverted to the City's OPEB Trust Fund if there is no City required contribution to the pension plan.

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Fire employees are required to contribute 3% 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. Of the 3% contributions, 0.75% is diverted to the City's OPEB Trust Fund while the plan is funded in excess of 125%. Should the funded ratio be below 125% all contributions will be made to the pension fund.

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.

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2019, the City was not required to make a contribution for the current fiscal year. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**Concentrations**

The following represents the investments that represent more than 5% of the Plan's net position as of June 30, 2019:

Boyd Watterson GSA Fund, LP	\$ 37,532,493
EnTrustPermal Structured Income Fund II-A Ltd.	37,166,478

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**Net Pension Liability (Asset) of the City**

For the year ended June 30, 2019, the City recognized a net pension asset of \$194,288,790, of which \$185,481,310 was reported in the governmental activities and \$8,807,480 in the business-type activities. The components of the net pension liability (asset) of the City at June 30, 2019 were as follows:

Total pension liability	\$ 459,549,364
Plan fiduciary net position	<u>653,838,154</u>
Net Pension Liability (Asset)	<u>\$ (194,288,790)</u>

**Changes in the Net Pension Liability (Asset)**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a)-(b)</u>
Balances as of July 1, 2018	\$ <u>436,636,099</u>	\$ <u>647,171,556</u>	\$ <u>(210,535,457)</u>
Changes for the year:			
Service cost	9,602,581		9,602,581
Interest on total pension liability	31,656,104		31,656,104
Effect of economic/demographic gains or losses	(178,621)		(178,621)
Effect of assumption changes or inputs	7,471,588		7,471,588
Member contributions		2,234,181	(2,234,181)
Net investment income (loss)		30,248,708	(30,248,708)
Benefit payments	(25,638,387)	(25,638,387)	-
Administrative expenses		(177,904)	177,904
Net changes	<u>22,913,265</u>	<u>6,666,598</u>	<u>16,246,667</u>
Balances as of June 30, 2019	<u>\$ 459,549,364</u>	<u>\$ 653,838,154</u>	<u>\$ (194,288,790)</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	July 1, 2018
Measurement date	June 30, 2019
Inflation	2.70%
Salary increases including inflation	3.25%
Actuarial cost method	Entry age normal

RP-2000 Mortality Table for Employees and Healthy Annuitants, with generational projection 60% phase-in from Scale AA to BB.

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The actuarial assumptions that determined the total pension liability as of June 30, 2019 were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The following was the Board’s adopted asset allocation policy and the best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Interm Bonds	21.30%	1.95%
U.S. High Yield Bonds	7.60%	4.29%
U.S. Large Caps	30.00%	4.33%
U.S. Small Caps	2.50%	5.56%
U.S. Mid Caps	2.50%	4.86%
Foreign Developed Equity	13.60%	5.55%
Emerging Markets Equity	7.50%	7.88%
Private Equity	5.00%	8.96%
Hedge FOF Diversified	<u>10.00%</u>	1.97%
Total	<u><u>100.0%</u></u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BRISTOL, CONNECTICUT  
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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City's Pension Plans, calculated using the current discount rate, as well as what the City's Pension Plans net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease to 6.20%</u>	<u>Current Discount Rate 7.20%</u>	<u>1% Increase to 8.20%</u>
Net Pension Asset	\$ <u>(137,930,476)</u>	\$ <u>(194,288,790)</u>	\$ <u>(238,847,235)</u>

As of June 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,572,612	\$ 6,168,501	\$ 390,651	\$ 225,235
Changes of assumptions or other inputs	13,593,843	298,524	390,651	
Net difference between projected and actual earnings	<u>5,076,199</u>		<u>223,604</u>	
Total	<u>\$ 22,242,654</u>	<u>\$ 6,467,025</u>	<u>\$ 614,255</u>	<u>\$ 225,235</u>

For the year ended June 30, 2019, the City recognized pension expense of \$11,580,185, of which \$11,980,753 was reported in the governmental activities and \$(400,568) in the business-type activities.

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2020	\$ 8,789,759	\$ 59,206	\$ 8,848,965
2021	(1,668,784)	59,206	(1,609,578)
2022	3,232,113	59,207	3,291,320
2023	5,046,024	175,111	5,221,135
2024	376,517	36,290	412,807

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**Combining Schedule of Pension and OPEB Plans Net Position**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,706,391	\$ 3,572,673	\$ 23,279,064
Investments	634,124,792	8,734,784	642,859,576
Accounts receivable	<u>6,971</u>	<u></u>	<u>6,971</u>
Total Assets	<u>653,838,154</u>	<u>12,307,457</u>	<u>666,145,611</u>
<b>NET POSITION</b>			
Restricted for Pension	653,838,154		653,838,154
Restricted for OPEB	<u></u>	<u>12,307,457</u>	<u>12,307,457</u>
Total Net Position	<u>\$ 653,838,154</u>	<u>\$ 12,307,457</u>	<u>\$ 666,145,611</u>

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**Combining Schedule of Pension and OPEB Plans Changes in Plan Net Position**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$	\$ 7,917,323	\$ 7,917,323
Plan members	2,234,181	390,715	2,624,896
Total contributions	<u>2,234,181</u>	<u>8,308,038</u>	<u>10,542,219</u>
Investment income:			
Net appreciation in fair value of investments	29,107,344	364,623	29,471,967
Interest and dividends	5,542,717	216,753	5,759,470
	<u>34,650,061</u>	<u>581,376</u>	<u>35,231,437</u>
Less investment expense	<u>(4,401,353)</u>	<u>(41,021)</u>	<u>(4,442,374)</u>
Net investment income	<u>30,248,708</u>	<u>540,355</u>	<u>30,789,063</u>
Total additions	<u>32,482,889</u>	<u>8,848,393</u>	<u>41,331,282</u>
Deductions:			
Benefits	25,638,387	6,467,323	32,105,710
Administration	177,904		177,904
Total deductions	<u>25,816,291</u>	<u>6,467,323</u>	<u>32,283,614</u>
Net Change	6,666,598	2,381,070	9,047,668
Net Position Held in Trust for Pension and OPEB Benefits at July 1	<u>647,171,556</u>	<u>9,926,387</u>	<u>657,097,943</u>
Net Position Held in Trust for Pension and OPEB Benefits at June 30	<u>\$ 653,838,154</u>	<u>\$ 12,307,457</u>	<u>\$ 666,145,611</u>

**B. Connecticut Teachers Retirement System - Pension**

**Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**Normal Retirement**

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of Credited Service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**Early Retirement**

Employees are eligible after 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service with reduced benefit amounts.

**Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of Credited Service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times Credited Service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

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*Employer (School Districts)*

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

*Employees*

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>181,099,594</u>
Total	\$	<u><u>181,099,594</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2019, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the City recognized pension expense and revenue of \$20,325,229 in Exhibit II for on-behalf amounts for the benefits provided by the State.

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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	6.0%	0.4%
Total	100.0%	

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The City’s proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

**Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

## **15. TAX ABATEMENTS**

As of June 30, 2019, the City provides tax abatements through the Connecticut Enterprise Zone Program and Urban Jobs Program, as well as a locally administered Enterprise Zone Program for projects that fall within the State-designated Enterprise Zone area but which do not qualify for the State-Sponsored Connecticut Enterprise Zone (EZ) Program. In addition, the City exercises powers authorized under the City and Town Development Act to provide tax abatements for extraordinary projects or for projects that do not qualify for established programs.

The State-Sponsored Connecticut Enterprise Zone (EZ) Program and the Urban Jobs Program provide real property tax abatements to encourage economic development. The EZ Program provides such benefits in designated areas within a Targeted Investment Community of which the City has been designated, under Connecticut General Statutes Section 32-71. Eligible businesses include manufacturers, warehouse distributors and certain designated service related businesses. The Urban Jobs Program is available outside geographic boundaries of the Enterprise Zone to manufacturers or distributors. The property tax abatement is for a full five-year period and takes effect with the start of the first full assessment year following issuance of a "Certificate of Eligibility". For the fiscal year ended June 30, 2019, taxes abated through this program totaled approximately \$214,000. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The City-Sponsored Enterprise Zone Program is for projects within the State-designated Enterprise Zone area in which the applicant need not be a manufacturer, warehouse distributor, or eligible service-related business. To be eligible, commercial property must be improved to the extent of \$175,000 or greater. Program benefits are structured as a seven-year abatement of qualifying real and personal property improvements according to the following schedule: 100% (Year 1), 100% (Year 2), 50% (Year 3), 40% (Year 4), 30% (Year 5), 20% (Year 6), and 10% (Year 7). For the fiscal year ended June 30, 2019, taxes abated through this program totaled approximately \$83,000.

## **16. SUBSEQUENT EVENTS**

On November 8, 2019, the City issued \$25,000,000 of General Obligation Bonds with a coupon rate between 2.1% and 5.0%. The proceeds of the bonds will be used to fund various capital improvements and school projects.

**17. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

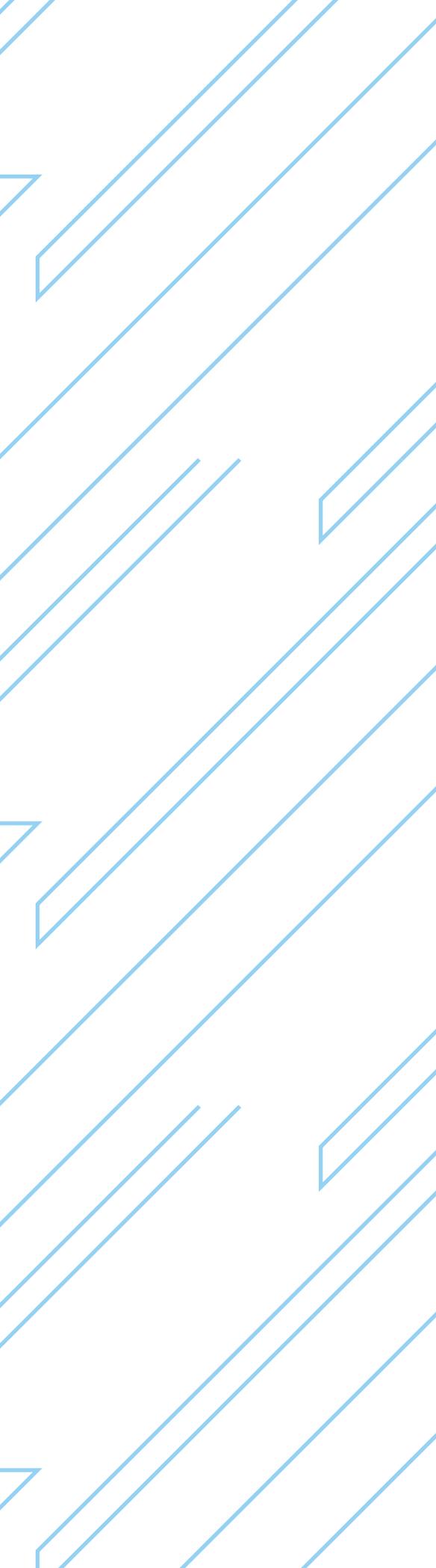
The GASB has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the City's financial statements:

**GASB Statement 84, *Fiduciary Activities***

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

**GASB Statement 87, *Leases***

This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.



## **Required Supplementary Information**

**CITY OF BRISTOL, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2019 WITH**  
**COMPARATIVE ACTUAL AMOUNTS FOR 2018**  
(in thousands)

	2019				2018 Actual	
	Original Budget	Adjustments	Amended Budget	Actual		Variance Over (Under)
Property taxes:						
Current Levy	\$ 141,987	\$	\$ 141,987	\$ 141,752	\$ (235)	\$ 138,751
Prior Levies	1,300		1,300	1,362	62	1,343
60-Day: GAAP			-	135	135	5
MV Supplemental	1,100		1,100	2,069	969	
Interest and Penalties	775		775	961	186	897
Total property taxes	<u>145,162</u>	<u>-</u>	<u>145,162</u>	<u>146,279</u>	<u>1,117</u>	<u>140,996</u>
Licenses, permits and fees:						
Assessor's Late Filing Fees	3		3	1	(2)	3
Delinquent Fees	1		1	1	-	1
Circuit Court Fines	4		4	3	(1)	4
Dog Penalties	1		1	1	-	1
Merchandising Licenses	3		3		(3)	3
Animal Licenses	8		8	7	(1)	7
Marriage Licenses	2		2	3	1	2
Fees	11		11	13	2	13
Liquor Permits			-	1	1	
Notary Services	3		3	5	2	4
Burial Permits	2		2	4	2	2
Trade Names	1		1	1	-	1
Vital Statistics	118		118	135	17	127
Parking Violations	48		48	85	37	41
Alarm Fees	17		17	21	4	16
Police Report Fees	12		12	18	6	16
Bingo/Raffle Fees			-	13	13	3
Building Permits	900		900	1,346	446	1,394
PW Excavating Permits	12		12	13	1	11
Zoning Violations	2		2		(2)	
Surcharge			-	2	2	3
Land Use Fees & Permits	18		18	26	8	38
Drop Box Fee	2		2	1	(1)	2
Library Fines	17		17	13	(4)	21
Total licenses, permits and fees	<u>1,185</u>	<u>-</u>	<u>1,185</u>	<u>1,713</u>	<u>528</u>	<u>1,713</u>
State and federal grants:						
State grants-in-aid:						
State Owned Property PILOT			-	48	48	
State Grant: Elderly Freeze			-		-	2
Private Hospitals (PILOT)	371		371	380	9	380
Tax Relief Totally Disabled	13		13	13	-	13
Additional Tax Relief: Veterans	25		25	26	1	27
Enterprise Zone Reimbursement			-	104	104	
Town Aid Road Transportation	664		664	663	(1)	664
Mashantucket Pequot Grant	400		400	400	-	560
Off-track Betting	50		50	48	(2)	54
Miscellaneous State Grants			-		-	1
Municipal Grant		2,487	2,487	2,487	-	2,487
Utilities Tax	100		100	118	18	105
Municipal Stabilization Grant	226		226	235	9	429
Demand Response		57	57	57	-	57
Youth Services Bureau	39		39	42	3	39
Youth Services Bureau - Enhancement		7	7	7	-	7
Juvenile Diversion Grant		27	27	11	(16)	30
School Based Diversion Grant		10	10	10	-	
E911 Subsidy Grant	135		135	133	(2)	134

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019 WITH**  
**COMPARATIVE ACTUAL AMOUNTS FOR 2018**  
(in thousands)

	2019					2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance Over (Under)	
Dispatch Training Grant	\$ 6	\$	\$ 6	\$ 2	\$ (4)	\$ 4
School Readiness Grant/Quality Enhancement		2,886	2,886	2,872	(14)	2,883
Education Cost Sharing	42,068		42,068	41,543	(525)	40,906
Health Serv. PA 481/Private Sch Health Reimb.	150		150	218	68	189
Displaced Students			-		-	264
Federal grants:						
Housing Authority (FED- PILOT)			-	113	113	107
Civil Preparedness	9	6	15		(15)	(3)
Total state and federal grants	<u>46,275</u>	<u>5,480</u>	<u>49,736</u>	<u>49,530</u>	<u>(206)</u>	<u>51,357</u>
Charges for services:						
Copier Charges	58		58	65	7	63
Water Reimbursement Fees	1		1	5	4	6
Foreclosure Reimbursement Fees	10		10	6	(4)	4
Recording Fees	280		280	265	(15)	271
Real Estate Transfer Tax (Conveyance Tax)	825		825	987	162	933
Department of Aging Services	69		69	69	-	70
Public Safety Charges for Services	626	1,294	1,920	2,460	540	1,979
Animal Control Charges	3		3	2	(1)	2
Miscellaneous Charges for Services	4		4	8	4	4
Public Works Service and Maps	362		362	379	17	367
Recycling Permits	30		30	24	(6)	16
City Building Rentals	118		118	175	57	170
Patching Charges		4	4	4	-	11
Pool Revenue	203		203	185	(18)	199
Park Program	157		157	142	(15)	202
Total charges for services	<u>2,746</u>	<u>1,298</u>	<u>4,044</u>	<u>4,776</u>	<u>732</u>	<u>4,297</u>
Investment earnings:						
Interest-General Fund	500		500	1,484	984	915
Interest-Miscellaneous A/R	8		8	17	9	24
Total investment earnings	<u>508</u>	<u>-</u>	<u>508</u>	<u>1,501</u>	<u>993</u>	<u>939</u>
Sale of Property and Equipment	<u>75</u>		<u>75</u>	<u>305</u>	<u>230</u>	<u>372</u>
Other local revenue:						
Miscellaneous	6		6	35	29	24
Contributions Interdistrict Cooperative	13	21	34	38	4	80
Library Trust Funds	32	20	52	52	-	51
Park Trust Funds and Gifts	423	112	535	537	2	553
Total other local revenue	<u>474</u>	<u>153</u>	<u>627</u>	<u>662</u>	<u>35</u>	<u>708</u>
Transfers in:	<u>3</u>		<u>3</u>		<u>(3)</u>	<u>18</u>
Total Revenues and Other Financing Sources	<u>\$ 196,428</u>	<u>\$ 6,931</u>	<u>\$ 201,340</u>	204,766	<u>\$ 3,426</u>	<u>\$ 200,400</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions for City teachers not budgeted:

Pension

OPEB

20,325

(12,027)

The Board of Education does not budget for intergovernmental grants, which are credited against education expense for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

3,811

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

\$ 216,875

**CITY OF BRISTOL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2018  
(in thousands)**

	2019				Variance (Over) Under	2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
<b>General Government</b>						
City Council						
Personnel Services	\$ 60	\$	\$ 60	\$ 60	\$ -	\$ 56
Mayor's Office						
Personnel Services	171	15	186	184	2	171
Contractual Services	22	(3)	19	17	2	55
Supplies	1		1	1	-	1
Total mayor's office	194	12	206	202	4	227
Probate Court						
Contractual Services	35	4	39	33	6	35
Supplies	5		5	5	-	6
Total probate court	40	4	44	38	6	41
Registrar's of Voters						
Personnel Services	193	12	205	205	-	175
Contractual Services	22	3	25	25	-	18
Supplies	16	(3)	13	13	-	23
Total registrar's of voters	231	12	243	243	-	216
Assessor's						
Personnel Services	390	21	411	407	4	381
Contractual Services	37	(9)	28	26	2	49
Supplies	2		2	2	-	2
Total assessor's	429	12	441	435	6	432
Board of Assessment Appeals						
Personnel Services	11		11	4	7	6
Contractual Services	1		1		1	-
Supplies	2		2		2	-
Total board of assessment appeals	14	-	14	4	10	6
Tax Collector						
Personnel Services	312	(51)	261	260	1	297
Contractual Services	68		68	49	19	48
Supplies	1		1	1	-	1
Total tax collector	381	(51)	330	310	20	346
Purchasing						
Personnel Services	194	6	200	198	2	177
Contractual Services	9		9	8	1	8
Supplies			-		-	1
Capital Outlay			-		-	1
Total purchasing	203	6	209	206	3	187
Comptroller's Office						
Personnel Services	683	66	749	748	1	674
Contractual Services	15		15	13	2	13
Supplies	1		1	1	-	1
Capital Outlay			-		-	3
Total comptroller's office	699	66	765	762	3	691
Treasurer						
Personnel Services	117	(4)	113	112	1	98
Contractual Services	10		10	9	1	8
Supplies			-		-	1
Other/Miscellaneous	20	(20)	-		-	-
Total treasurer	147	(24)	123	121	2	107

(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, 2019 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2018**  
(in thousands)

	2019					2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Information Systems						
Personnel Services	\$ 547	\$ 11	\$ 558	\$ 553	\$ 5	\$ 512
Contractual Services	489	(1)	488	484	4	368
Supplies	10	1	11	11	-	9
Total information systems	1,046	11	1,057	1,048	9	889
Human Resources						
Personnel Services	497	(199)	298	298	-	501
Contractual Services	77	23	100	85	15	106
Purch. Prof. Services	7	1	8	8	-	10
Supplies	5		5	4	1	5
Total human resources	586	(175)	411	395	16	622
Corporation Counsel						
Personnel Services	418	17	435	424	11	411
Contractual Services	361	(170)	191	185	6	132
Supplies	17		17	13	4	13
Total corporation counsel	796	(153)	643	622	21	556
City Clerk						
Personnel Services	359	23	382	381	1	360
Contractual Services	73		73	65	8	59
Supplies	2		2	2	-	2
Total city clerk	434	23	457	448	9	421
Board of Finance						
Personnel Services	1		1	1	-	2
Contractual Services	83		83	83	-	90
Total board of finance	84	-	84	84	-	92
Aging Department						
Personnel Services	415	13	428	424	4	414
Contractual Services	191	57	248	246	2	250
Supplies	54		54	53	1	49
Capital Outlay		8	8	7	1	-
Total aging department	660	78	738	730	8	713
City Memberships						
Contractual Services	69		69	68	1	26
Youth Services						
Personnel Services	318	9	327	326	1	284
Contractual Services	123	10	133	123	10	153
Supplies	10		10	9	1	8
Total youth services	451	19	470	458	12	445
Interdistrict COOP						
Personnel Services			-		-	13
Contractual Services			-		-	6
Purchased Other Services			-		-	41
Supplies			-		-	1
Total interdistrict COOP	-	-	-	-	-	61
Community Promotions						
Contractual Services	50		50	50	-	59
Other/Miscellaneous	25	(5)	20	15	5	17
Total community promotions	75	(5)	70	65	5	76

(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, 2019 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2018  
(in thousands)

	2019					2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Boards and Commissions						
Personnel Services	\$ 5	\$ 1	\$ 6	\$ 6	\$ -	\$ 6
Contractual Services	1		1		1	-
Total boards and commissions	6	1	7	6	1	6
Total general government	6,605	(164)	6,441	6,305	136	6,216
<b>Public Safety</b>						
Police Department						
Personnel Services	15,071	934	16,005	15,986	19	15,277
Contractual Services	614	27	641	584	57	580
Supplies	259	63	322	313	9	239
Capital Outlay	30	(7)	23	23	-	7
Total police department	15,974	1,017	16,991	16,906	85	16,103
Fire Department						
Personnel Services	8,183	(11)	8,172	8,163	9	8,012
Contractual Services	243	(40)	203	197	6	198
Supplies	199	(9)	190	185	5	181
Capital Outlay	58		58	55	3	53
Total fire department	8,683	(60)	8,623	8,600	23	8,444
Animal Control						
Personnel Services	146	3	149	149	-	146
Contractual Services	11	(1)	10	9	1	10
Supplies	5		5	5	-	5
Total animal control	162	2	164	163	1	161
Emergency Management						
Personnel Services	8	6	14	11	3	7
Contractual Services	3	2	5	3	2	2
Supplies	7	1	8	8	-	5
Capital Outlay		2	2	2	-	-
Total emergency management	18	11	29	24	5	14
Building Inspection						
Personnel Services	550	6	556	556	-	555
Contractual Services	14	(1)	13	10	3	9
Supplies	9	1	10	9	1	4
Total building inspection	573	6	579	575	4	568
Total public safety	25,410	976	26,386	26,268	118	25,290
<b>Public Works</b>						
Administration						
Personnel Services	359	(67)	292	289	3	345
Contractual Services	10	4	14	10	4	20
Supplies	2		2	2	-	1
Total administration	371	(63)	308	301	7	366
Engineering						
Personnel Services	838	(175)	663	659	4	753
Contractual Services	74	11	85	69	16	43
Supplies	4	2	6	6	-	5
Total engineering	916	(162)	754	734	20	801

(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, 2019 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2018  
(in thousands)**

	2019					2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Land Use						
Personnel Services	\$ 220	\$ 7	\$ 227	\$ 221	\$ 6	\$ 209
Contractual Services	17	2	19	15	4	14
Supplies			-		-	1
Total land use	<u>237</u>	<u>9</u>	<u>246</u>	<u>236</u>	<u>10</u>	<u>224</u>
Building Maintenance						
Personnel Services	575	(37)	538	535	3	609
Contractual Services	419	8	427	398	29	538
Supplies	129	15	144	132	12	118
Total building maintenance	<u>1,123</u>	<u>(14)</u>	<u>1,109</u>	<u>1,065</u>	<u>44</u>	<u>1,265</u>
Streets Division						
Personnel Services	1,737	(175)	1,562	1,558	4	1,643
Contractual Services	31	28	59	46	13	18
Supplies	168	34	202	161	41	125
Capital Outlay		40	40	34	6	
Total streets division	<u>1,936</u>	<u>(73)</u>	<u>1,863</u>	<u>1,799</u>	<u>64</u>	<u>1,786</u>
Solid Waste Division						
Personnel Services	995	(15)	980	954	26	969
Contractual Services	46	17	63	55	8	13
Supplies	10		10	6	4	6
Total solid waste division	<u>1,051</u>	<u>2</u>	<u>1,053</u>	<u>1,015</u>	<u>38</u>	<u>988</u>
Fleet Maintenance						
Personnel Services	634	(53)	581	568	13	623
Contractual Services	427	20	447	423	24	490
Supplies	871	116	987	971	16	865
Total fleet maintenance	<u>1,932</u>	<u>83</u>	<u>2,015</u>	<u>1,962</u>	<u>53</u>	<u>1,978</u>
Snow Removal						
Personnel Services	250	12	262	259	3	262
Contractual Services	322	(68)	254	252	2	304
Supplies	479	74	553	550	3	576
Total snow removal	<u>1,051</u>	<u>18</u>	<u>1,069</u>	<u>1,061</u>	<u>8</u>	<u>1,142</u>
Major Road Improvements						
Personnel Services	22	18	40	34	6	22
Contractual Services	1,900	2,587	4,487	4,415	72	4,097
Total major road improvements	<u>1,922</u>	<u>2,605</u>	<u>4,527</u>	<u>4,449</u>	<u>78</u>	<u>4,119</u>
Railroad Maintenance						
Contractual Services	44	(27)	17	16	1	193
Other City Buildings						
Contractual Services	98	21	119	89	30	110
Supplies	78	(69)	9	1	8	92
Total other city buildings	<u>176</u>	<u>(48)</u>	<u>128</u>	<u>90</u>	<u>38</u>	<u>202</u>
Perm Patch Utility Trenches						
Personnel Services		3	3	3	-	11
Fleet						
Capital Outlay	1,169	5	1,174	1,169	5	923

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**CITY OF BRISTOL, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2018  
(in thousands)**

	2019					2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Line Painting						
Personnel Services	\$ 1	\$	\$ 1	\$	\$ 1	\$
Contractual Services	140	(34)	106	106	-	102
Total line painting	141	(34)	107	106	1	102
Storm Water Maintenance						
Personnel Services			-		-	2
Street Lighting						
Contractual Services	208	3	211	211	-	372
Total public works	12,277	2,307	14,584	14,217	367	14,474
<b>Health and Welfare</b>						
Community Services						
Personnel Services	49	1	50	48	2	49
Contractual Services	14		14	10	4	11
Supplies	1		1		1	
Other/Miscellaneous	42	21	63	58	5	34
Total community services	106	22	128	116	12	94
Bristol-Burlington Health						
Contractual Services	3,144		3,144	3,144	-	3,144
Health/SS Outside Agencies						
Contractual Services	90		90	89	1	96
Other/Miscellaneous	13		13	13	-	14
Total health/SS outside agencies	103	-	103	102	1	110
Cemetery Upkeep						
Purch. Prof. Services	79		79	79	-	79
School Readiness Program						
Personnel Services		84	84	84	-	76
Contractual Service	8	2,802	2,810	2,796	14	2,813
Total school readiness program	8	2,886	2,894	2,880	14	2,889
Total health and welfare	3,440	2,908	6,348	6,321	27	6,316
<b>Libraries</b>						
Library						
Personnel Services	1,618	(32)	1,586	1,564	22	1,567
Contractual Services	316	17	333	301	32	302
Supplies	301	13	314	302	12	315
Capital Outlay			-		-	2
Total libraries	2,235	(2)	2,233	2,167	66	2,186
<b>Parks and Recreation</b>						
Parks and Recreation						
Personnel Services	1,927	(90)	1,837	1,833	4	1,905
Contractual Services	339	90	429	414	15	287
Purch. Prof. Services	10		10	10	-	4
Supplies	244	3	247	221	26	267
Capital Outlay	10		10	10	-	(32)
Other/Miscellaneous	6		6	1	5	2
General Insurance	45		45	43	2	39
Total parks and recreation	2,581	3	2,584	2,532	52	2,472

(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, 2019 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2018  
(in thousands)

	2019				Variance (Over) Under	2018 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
<b>Employee Benefits and Pension</b>						
Retirement Benefits	\$	\$	\$ -	\$	\$ -	\$ 1,179
Employee Benefits	1,676	812	2,488	2,477	11	1,930
Other Post Employment Benefit	1,450		1,450	1,450	-	1,363
Total employee benefits and pension	<u>3,126</u>	<u>812</u>	<u>3,938</u>	<u>3,927</u>	<u>11</u>	<u>4,472</u>
<b>General Insurance</b>						
General City Insurance	<u>888</u>		<u>888</u>	<u>842</u>	<u>46</u>	<u>805</u>
<b>Miscellaneous</b>						
All Other Costs & Fees	<u>2,077</u>	<u>(699)</u>	<u>1,378</u>	<u>426</u>	<u>952</u>	<u>541</u>
<b>Transfers to Other Funds</b>						
Special Revenue	1,746	1,516	3,262	3,262	-	2,268
Mill Rate Stabilization Fund		1,650	1,650	1,650	-	-
Debt Service	8,900		8,900	8,900	-	8,830
Capital Projects	635	978	1,613	1,613	-	598
Sinking Fund	250		250	250	-	250
Internal Service	<u>12,828</u>	<u>14,298</u>	<u>27,126</u>	<u>27,126</u>	<u>-</u>	<u>26,685</u>
Total transfers to other funds	<u>24,359</u>	<u>18,442</u>	<u>42,801</u>	<u>42,801</u>	<u>-</u>	<u>38,631</u>
<b>Board of Education</b>						
General Control	2,595	(83)	2,512	2,512	-	2,506
Instruction	48,282	(1,278)	47,004	47,004	-	46,898
Transportation	4,329	131	4,460	4,460	-	4,120
Operation of Plant	6,816	(9)	6,807	6,807	-	6,353
Maintenance of Plant	2,537	(166)	2,371	2,371	-	2,267
Benefits & Fixed	16,810	(14,349)	2,461	2,461	-	3,620
Athletics & Student	2,026	(58)	1,968	1,968	-	1,881
Capital Outlay	2,203	(64)	2,139	2,139	-	1,890
Special Education	29,806	1,772	31,578	31,573	5	26,223
Tuition	818	203	1,021	1,021	-	863
Other/Miscellaneous	<u>(4,811)</u>	<u>263</u>	<u>(4,548)</u>	<u>(4,548)</u>	<u>-</u>	<u>-</u>
Total board of education	<u>111,411</u>	<u>(13,638)</u>	<u>97,773</u>	<u>97,768</u>	<u>5</u>	<u>96,621</u>
Total	\$ <u>194,409</u>	\$ <u>10,945</u>	\$ <u>205,354</u>	203,574	\$ <u>1,780</u>	\$ <u>198,024</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions for City teachers not budgeted:	
Pension	20,325
OPEB	(12,027)
The Board of Education does not budget for intergovernmental grants, which are credited against education expense for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.	3,811
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	633
Budgeted transfer to Mill Rate Stabilization Fund, which does not meet the definition of a special revenue fund in accordance with GASB No. 54 and must be combined with the General Fund	<u>(1,650)</u>

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

\$ 214,666

**CITY OF BRISTOL, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB PLAN**  
**LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 1,900,749	\$ 1,954,699	\$ 1,821,714
Interest	4,668,876	4,614,833	4,434,274
Effect of plan changes	1,759,188		
Differences between expected and actual experience	(2,179,655)		851,289
Changes of assumptions	11,321,902	548,793	
Benefit payments	<u>(6,467,323)</u>	<u>(4,438,442)</u>	<u>(5,083,891)</u>
Net change in total OPEB liability	11,003,737	2,679,883	2,023,386
Total OPEB liability - beginning	<u>66,122,204</u>	<u>63,442,321</u>	<u>61,418,935</u>
Total OPEB liability - ending	<u>77,125,941</u>	<u>66,122,204</u>	<u>63,442,321</u>
Plan fiduciary net position:			
Contributions - employer	7,917,323	5,801,097	6,583,891
Contributions - member	390,715	56,308	54,072
Net investment income	540,355	380,520	445,223
Benefit payments	<u>(6,467,323)</u>	<u>(4,438,442)</u>	<u>(5,083,891)</u>
Net change in plan fiduciary net position	2,381,070	1,799,483	1,999,295
Plan fiduciary net position - beginning	<u>9,926,387</u>	<u>8,126,904</u>	<u>6,127,609</u>
Plan fiduciary net position - ending	<u>12,307,457</u>	<u>9,926,387</u>	<u>8,126,904</u>
Net OPEB Liability - Ending	<u>\$ 64,818,484</u>	<u>\$ 56,195,817</u>	<u>\$ 55,315,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	15.01%	12.81%
Covered payroll	\$ 105,156,160	\$ 98,287,369	\$ 98,287,369
Net OPEB liability (asset) as a percentage of covered payroll	61.64%	57.18%	56.28%

Notes to Schedule:

Assumption Changes:

Discount rate 7.00%; Prior: 7.20%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OPEB PLAN  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 7,208,338	\$ 6,234,993	\$ 7,256,765	\$ 7,308,579	\$ 7,008,204	\$ 9,322,000	\$ 7,528,000	\$ 7,883,000	\$ 8,279,000	\$ N/A
Contributions in relation to the actuarially determined contribution	<u>7,917,323</u>	<u>5,801,097</u>	<u>6,583,891</u>	<u>3,961,206</u>	<u>3,156,480</u>	<u>4,446,594</u>	<u>4,456,576</u>	<u>4,756,449</u>	<u>5,166,096</u>	<u>N/A</u>
Contribution Deficiency (Excess)	\$ <u>(708,985)</u>	\$ <u>433,896</u>	\$ <u>672,874</u>	\$ <u>3,347,373</u>	\$ <u>3,851,724</u>	\$ <u>4,875,406</u>	\$ <u>3,071,424</u>	\$ <u>3,126,551</u>	\$ <u>3,112,904</u>	\$ <u>N/A</u>
Covered payroll	\$ 105,156,160	\$ 98,287,369	\$ 98,287,369	\$ 96,520,538	\$ 96,520,538	\$ 88,563,000	\$ 88,563,000	\$ 91,807,000	\$ 91,807,000	\$ 70,000,000
Contributions as a percentage of covered payroll	7.53%	5.90%	6.70%	4.10%	3.27%	5.02%	5.03%	5.18%	5.63%	0.00%

Notes to Schedule:

Valuation date July 1, 2018  
 Measurement date June 30, 2019  
 Valuation timing Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal  
 Amortization method Level dollar, closed  
 Remaining amortization period 25 years  
 Asset valuation method Market value  
 Inflation 2.70%  
 Salary increases Varies by group  
 Investment rate of return 7.00%  
 Cost of living adjustment N/A  
 Retirement age Rates based on age  
 Turnover None

Mortality BOE Certified#: For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. This assumption includes a margin for mortality improvement beyond the valuation date.  
 All Others: RP-2000 Mortality Table for Employees and Healthy Annuitants with generational projection per Scale BB. This assumption includes a margin for mortality improvements beyond the valuation date.

**CITY OF BRISTOL, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS - OPEB PLAN  
LAST THREE FISCAL YEARS\***

---

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.92%	4.31%	6.83%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHERS' RETIREMENT PLAN  
LAST TWO FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>36,202,980</u>	<u>49,154,327</u>
Total	<u>\$ 36,202,980</u>	<u>\$ 49,154,327</u>
City's covered payroll	\$ 56,863,119	\$ 56,374,579
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Notes to Schedule:

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**CITY OF BRISTOL RETIREMENT SYSTEM**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 9,602,581	\$ 9,104,904	\$ 9,177,475	\$ 8,277,518	\$ 8,034,547	\$ 7,964,316
Interest on total pension liability	31,656,104	30,841,588	29,232,077	28,136,062	27,281,639	26,593,867
Effect of plan changes						
Effect of economic/demographic gains or losses	(178,621)	(5,688,780)	5,571,684	(2,130,022)	(4,305,301)	
Effect of assumption changes or inputs	7,471,588	7,044,151	6,729,043			
Benefit payments	<u>(25,638,387)</u>	<u>(24,245,472)</u>	<u>(23,012,190)</u>	<u>(22,398,939)</u>	<u>(21,687,626)</u>	<u>(20,636,951)</u>
Net change in total pension liability	22,913,265	17,056,391	27,698,089	11,884,619	9,323,259	13,921,232
Total pension liability - beginning	<u>436,636,099</u>	<u>419,579,708</u>	<u>391,881,619</u>	<u>379,997,000</u>	<u>370,673,741</u>	<u>356,752,509</u>
Total pension liability - ending	<u>459,549,364</u>	<u>436,636,099</u>	<u>419,579,708</u>	<u>391,881,619</u>	<u>379,997,000</u>	<u>370,673,741</u>
Plan fiduciary net position:						
Employer contributions		2,617,369	1,064,936	44,000	127,325	227,500
Member contributions	2,234,181	2,781,706	2,654,883	2,582,644	2,419,097	2,488,640
Net investment income (loss)	30,248,708	57,843,541	66,698,627	(9,656,082)	(4,242,226)	79,063,132
Benefit payments	(25,638,387)	(24,245,472)	(23,012,190)	(22,398,939)	(21,687,626)	(21,156,744)
Administrative expenses	<u>(177,904)</u>	<u>(190,448)</u>				
Net change in plan fiduciary net position	6,666,598	38,806,696	47,406,256	(29,428,377)	(23,383,430)	60,622,528
Plan fiduciary net position - beginning	<u>647,171,556</u>	<u>608,364,860</u>	<u>560,958,604</u>	<u>590,386,981</u>	<u>613,770,411</u>	<u>553,147,883</u>
Plan fiduciary net position - ending	<u>653,838,154</u>	<u>647,171,556</u>	<u>608,364,860</u>	<u>560,958,604</u>	<u>590,386,981</u>	<u>613,770,411</u>
Net Pension Liability (Asset) - Ending	<u>\$ (194,288,790)</u>	<u>\$ (210,535,457)</u>	<u>\$ (188,785,152)</u>	<u>\$ (169,076,985)</u>	<u>\$ (210,389,981)</u>	<u>\$ (243,096,670)</u>
Plan fiduciary net position as a percentage of the total pension liability	142.28%	148.22%	144.99%	143.14%	155.37%	165.58%
Covered payroll	\$ 49,004,030	\$ 48,452,620	\$ 44,945,681	\$ 45,357,037	\$ 44,715,823	\$ 44,891,754
Net pension liability as a percentage of covered payroll	-396.48%	-434.52%	-420.03%	-372.77%	-470.50%	-541.52%

Notes to Schedule:

Assumption Changes:

Investment rate of return	7.20%; Prior: 7.30%
Discount rate	7.20%; Prior: 7.30%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**CITY OF BRISTOL RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**  
(In Thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ -	\$ 2,617,369	\$ 756,393	\$ 352,453	\$ 507,245	\$ 604,612	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	2,617,369	1,064,936	44,000	127,325	227,500	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (308,543)	\$ 308,453	\$ 379,920	\$ 377,112	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 49,004,030	\$ 48,452,620	\$ 44,945,681	\$ 45,357,037	\$ 44,715,823	\$ 44,891,754	\$ 44,638,648	\$ 44,359,243	\$ 44,434,575	\$ 44,811,297
Contributions as a percentage of covered payroll	0.00%	5.40%	2.37%	0.10%	0.28%	0.51%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation date	July 1, 2018
Measurement date	June 30, 2019
Valuation timing	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	19 years
Asset valuation method	4-years smoothed market, non-asymptotic, Corridor - 80% to 120% of market value
Inflation	2.70%
Salary increases	Age graded salary growth with an ultimate rate of 3.25%
Investment rate of return	7.2%; Prior: 7.3%
Cost of living adjustment	Police: Pre-December 15, 2002 retirees: 3.25% per year Post-December 15, 2002 retirees: 2.25% per year
	Fire: Pre-July 1, 1999 retirees: 3.25% per year July 1, 1999 to June 30, 2003 retirees: 2.50% per year Post-June 30, 2003 retirees: 2.25% per year
Retirement age	City: None Police and Fire: Rates based on age City: Rates based on age and service
Turnover	Rates based on age
Mortality	RP-2000 Mortality Table for Employees and Healthy Annuitants, with generational projection 60% phase-in from Scale AA to BB

**CITY OF BRISTOL, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 CITY OF BRISTOL RETIREMENT SYSTEM  
 LAST SIX FISCAL YEARS\***

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return net of investment expense	4.71%	8.81%	12.06%	-2.47%	0.52%	15.44%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT PLAN  
LAST FIVE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	-
State's proportionate share of the net pension liability associated with the City	<u>181,099,594</u>	<u>190,973,158</u>	<u>201,478,144</u>	<u>152,907,734</u>	<u>141,332,557</u>
<b>Total</b>	<b><u>\$ 181,099,594</u></b>	<b><u>\$ 190,973,158</u></b>	<b><u>\$ 201,478,144</u></b>	<b><u>\$ 152,907,734</u></b>	<b><u>\$ 141,332,557</u></b>
City's covered payroll	\$ 56,863,119	\$ 56,374,579	\$ 58,343,820	\$ 56,044,000	\$ 54,605,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

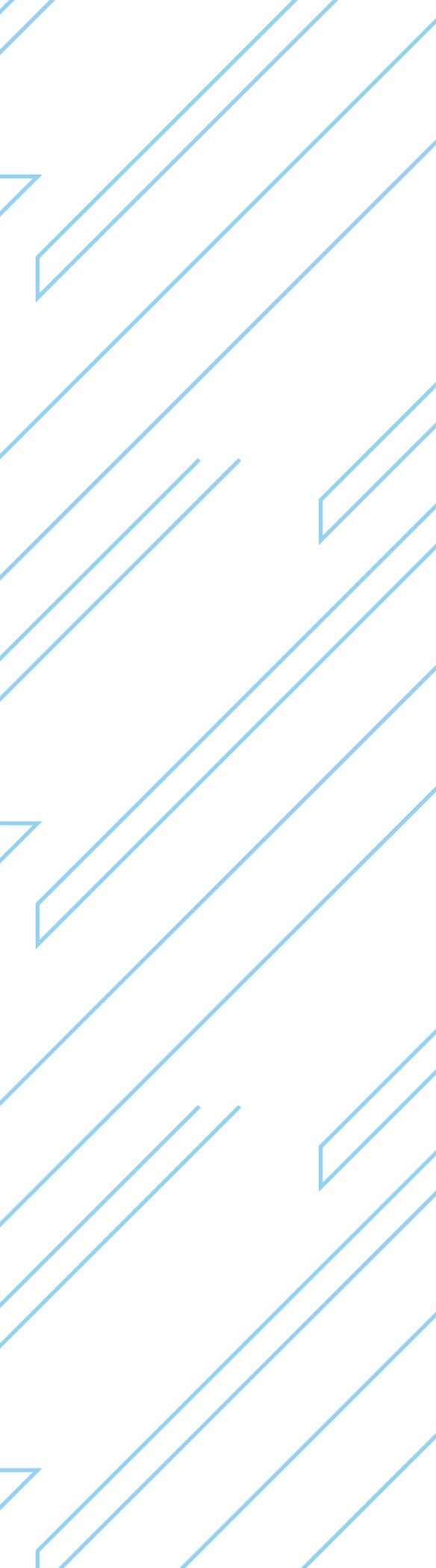
Changes in benefit terms  
Changes of assumptions

Beginning January 1, 2018, member contributions increased from 6% to 7% of salary. During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

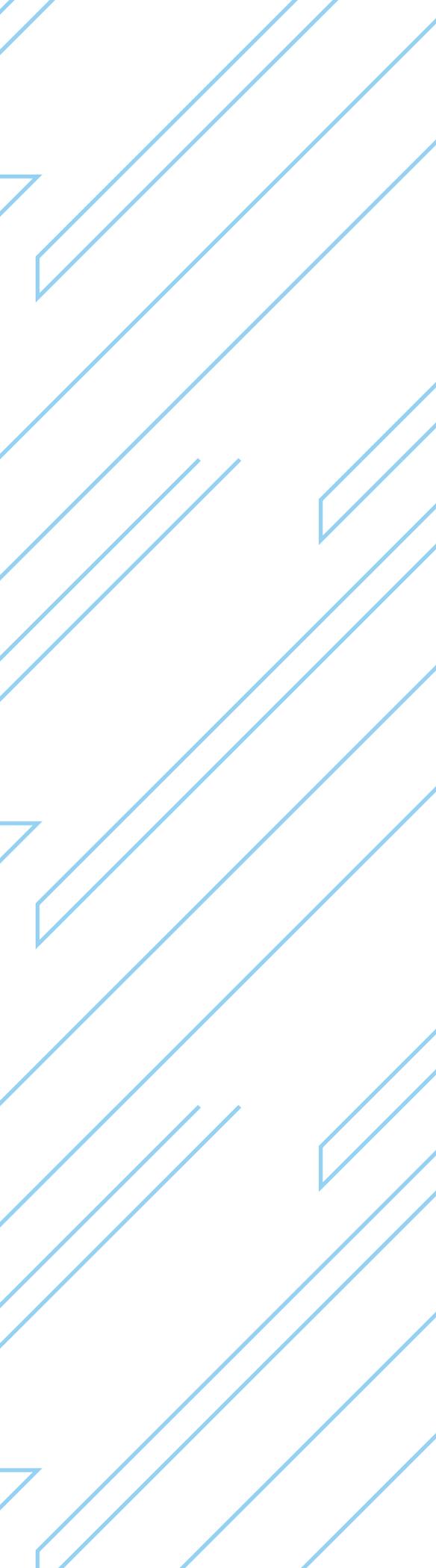
Actuarial cost method  
Amortization method  
Single equivalent amortization period  
Asset valuation method  
Investment rate of return

Entry age  
Level percent of salary, closed  
17.6 years  
4-year smoothed market  
8.00%, net of investment related expense

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



# **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.

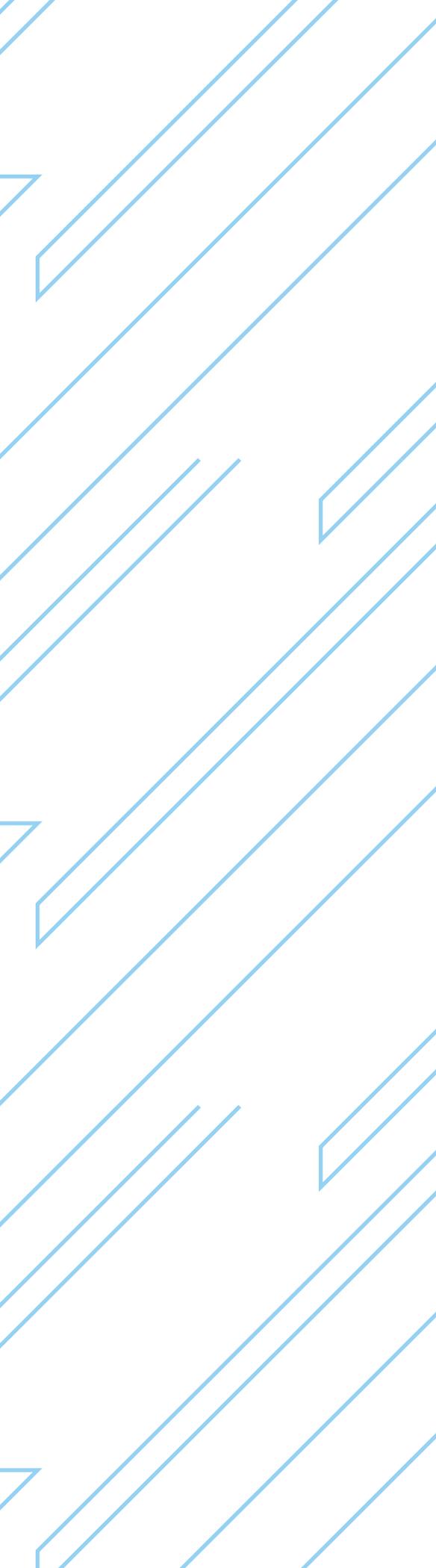
This fund is administered in accordance with Section 25 of the City Charter. The Board of Finance and Joint Board (Board of Finance and City Council meeting jointly) have final approval over the authorizations of budgetary appropriations and any revisions to the approved budget. The Charter mandates 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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 41,507,620	\$ 42,612,874
Investments	10,569,132	10,272,802
Receivables:		
Taxes, net of allowance for uncollectible amounts of \$300,000 in 2019 and 2018	3,182,721	3,195,177
Interest receivable	1,292,448	1,251,833
Other, net of allowance for uncollectible amounts of \$10,000 in 2019 and 2018	775,983	716,059
Due from other funds	593,594	632,868
Due from other governments	552,185	649,212
Other assets	<u>3,471</u>	<u>5,457</u>
Total Assets	<u>\$ 58,477,154</u>	<u>\$ 59,336,282</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 3,447,447	\$ 6,826,875
Accrued liabilities	10,671,035	10,306,368
Due to other funds	-	9,101
Unearned revenue	<u>390,807</u>	<u>327,649</u>
Total liabilities	<u>14,509,289</u>	<u>17,469,993</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>3,958,153</u>	<u>4,065,801</u>
Fund balances:		
Nonspendable	3,471	5,457
Committed	3,107,495	3,085,523
Assigned	7,336,712	6,367,646
Unassigned	<u>29,562,034</u>	<u>28,341,862</u>
Total fund balances	<u>40,009,712</u>	<u>37,800,488</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 58,477,154</u>	<u>\$ 59,336,282</u>

CITY OF BRISTOL, CONNECTICUT  
 GENERAL FUND  
 REPORT OF TAX COLLECTOR  
 FOR THE YEAR ENDED JUNE 30, 2019  
 (In Thousands)

Grand List	Uncollected Taxes July 1, 2018	Current Levy	Lawful Corrections		Transfers to Suspense	Suspense Items Collected	Tax Abatements	Other Adjustments	Net Amount Collectible	Collections			Uncollected Taxes June 30, 2019		
			Additions	Deductions						Taxes	Interest	Lien Fees		Total	
2017	\$	\$ 146,051	\$ 392	\$ 666	\$	\$	\$ 3	\$	\$ 145,774	\$ 143,747	\$ 533	\$ 11	\$ 144,291	\$ 2,027	
2016	1,953		10	86	149	71	3		1,796	1,214	248	8	1,470	582	
2015	717		3	9	407	101	3		402	274	100	15	389	128	
2014	106		2			32	3	(2)	135	52	29	6	87	83	
2013	177					13	3		187	20	14	3	37	167	
2012	58			1		6	3	1	61	10	9	2	21	51	
2011	101			1		3	4	2	101	4	3	1	8	97	
2010	46		2	1		3	2		48	3	2	1	6	45	
2009	46					1			47	1	1		2	46	
2008	45					1			46	1	2	1	4	45	
2007	45					1			46	1	2		3	45	
2006	44					2			46	2	4	1	7	44	
2005	46					1			47	1	2		3	46	
2004	40								40		1		1	40	
2003	37								37		1		1	37	
<b>Total</b>	<b>\$ 3,461</b>	<b>\$ 146,051</b>	<b>\$ 409</b>	<b>\$ 764</b>	<b>\$ 556</b>	<b>\$ 235</b>	<b>\$ 24</b>	<b>\$ 1</b>	<b>\$ 148,813</b>	<b>145,330</b>	<b>951</b>	<b>49</b>	<b>146,330</b>	<b>\$ 3,483</b>	
										Less: Code enforcement fees collected included above			(147)		
										Less: Pass through fees in collections above		10	(49)	(39)	
										Property taxes receivable considered available:					
										June 30, 2018			(383)	(383)	
										June 30, 2019			518	518	
										<b>Total Property Tax Revenue (RSI-1)</b>	<b>\$ 145,318</b>	<b>\$ 961</b>	<b>\$ -</b>	<b>\$ 146,279</b>	



# **Nonmajor Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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
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
Transfer Station	Charges for services	Operations of the City's Transfer Station
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

<b>Fund</b>	<b>Funding Source</b>	<b>Function</b>
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, 2019**

	<b>Special Revenue Funds</b>								
	<b>Equipment and Building Sinking</b>	<b>Community Development Act</b>	<b>Special Grants and Donations</b>	<b>Bristol School Lunch Program</b>	<b>Manross Memorial Library</b>	<b>Sewer Operating and Assessment</b>	<b>Solid Waste Disposal</b>	<b>Police Department Drug Forfeiture</b>	<b>Pine Lake Challenge Course</b>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 4,096,638	\$ 1,887,766	\$ 2,687,108	\$	\$ 925,698	\$ 6,505,248	\$ 394,665	\$ 221,593	\$ 100,365
Investments									
Accounts receivable				2,231		233,544	27,711		
Assessment receivable						451,057			
Due from other governments		308,829	73,598	474,291				12,648	
Inventory				52,306					
<b>Total Assets</b>	<b>\$ 4,096,638</b>	<b>\$ 2,196,595</b>	<b>\$ 2,760,706</b>	<b>\$ 528,828</b>	<b>\$ 925,698</b>	<b>\$ 7,189,849</b>	<b>\$ 422,376</b>	<b>\$ 234,241</b>	<b>\$ 100,365</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 104,406	\$ 56,575	\$ 93,547	\$ 29,340	\$	\$ 385,295	\$ 94,609	\$ 4,677	\$ 2,467
Accrued liabilities	247	8,102	94,663	8,048		30,559		46,664	3,756
Due to other funds			31,158	314,557					
Due to other governments				106,468					
Unearned revenue									
<b>Total liabilities</b>	<b>104,653</b>	<b>64,677</b>	<b>219,368</b>	<b>458,413</b>	<b>-</b>	<b>415,854</b>	<b>94,609</b>	<b>51,341</b>	<b>6,223</b>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenue - sewer use						27,488			
Unavailable revenue - sewer assessments						451,057			
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,545</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>									
Nonspendable				52,306					
Restricted		2,070,972	2,541,338					182,900	
Committed	3,991,985	54,532		18,109	925,698	6,083,796	327,767		94,142
Assigned		6,414				211,654			
<b>Total fund balances</b>	<b>3,991,985</b>	<b>2,131,918</b>	<b>2,541,338</b>	<b>70,415</b>	<b>925,698</b>	<b>6,295,450</b>	<b>327,767</b>	<b>182,900</b>	<b>94,142</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,096,638</b>	<b>\$ 2,196,595</b>	<b>\$ 2,760,706</b>	<b>\$ 528,828</b>	<b>\$ 925,698</b>	<b>\$ 7,189,849</b>	<b>\$ 422,376</b>	<b>\$ 234,241</b>	<b>\$ 100,365</b>

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**CITY OF BRISTOL, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2019**

	Special Revenue Funds							Reserve Fund for Depreciation for Page Park Swimming Pool	Total
	LOCIP Projects	Transfer Station	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2		
<b>ASSETS</b>									
Cash and cash equivalents	\$ 75,699	\$ 682,396	\$ 632,391	\$ 4,065	\$ 478,069	\$ 36,221	\$ 1,265	\$ 110,943	\$ 18,840,130
Investments									-
Accounts receivable		1,103							264,589
Assessment receivable									451,057
Due from other governments	125,939								995,305
Inventory									52,306
<b>Total Assets</b>	<b>\$ 201,638</b>	<b>\$ 683,499</b>	<b>\$ 632,391</b>	<b>\$ 4,065</b>	<b>\$ 478,069</b>	<b>\$ 36,221</b>	<b>\$ 1,265</b>	<b>\$ 110,943</b>	<b>\$ 20,603,387</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 16,429	\$ 32,176	\$ 7,709	\$ -	\$ 152	\$ -	\$ -	\$ -	\$ 827,382
Accrued liabilities		6,100	13,535						211,674
Due to other funds									345,715
Due to other governments									106,468
Unearned revenue		234,252							234,252
<b>Total liabilities</b>	<b>16,429</b>	<b>272,528</b>	<b>21,244</b>	<b>-</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,725,491</b>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenue - sewer use									27,488
Unavailable revenue - sewer assessments									451,057
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,545</b>
<b>Fund Balances:</b>									
Nonspendable									52,306
Restricted	185,209								4,980,419
Committed		410,971	611,147	4,065	477,917	36,221	1,265	110,943	13,148,558
Assigned									218,068
<b>Total fund balances</b>	<b>185,209</b>	<b>410,971</b>	<b>611,147</b>	<b>4,065</b>	<b>477,917</b>	<b>36,221</b>	<b>1,265</b>	<b>110,943</b>	<b>18,399,351</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 201,638</b>	<b>\$ 683,499</b>	<b>\$ 632,391</b>	<b>\$ 4,065</b>	<b>\$ 478,069</b>	<b>\$ 36,221</b>	<b>\$ 1,265</b>	<b>\$ 110,943</b>	<b>\$ 20,603,387</b>

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**CITY OF BRISTOL, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2019**

	Permanent Funds					Interfund Eliminations	Total Nonmajor Governmental Funds
	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,500	\$ -	\$ -	40,045	\$ 47,545	\$ -	\$ 18,887,675
Investments			997,403		997,403		997,403
Accounts receivable					-		264,589
Assessment receivable					-		451,057
Due from other governments					-		995,305
Inventory					-		52,306
<b>Total Assets</b>	<b>\$ 7,500</b>	<b>\$ -</b>	<b>\$ 997,403</b>	<b>40,045</b>	<b>\$ 1,044,948</b>	<b>\$ -</b>	<b>\$ 21,648,335</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 827,382
Accrued liabilities					-		211,674
Due to other funds					-		345,715
Due to other governments					-		106,468
Unearned revenue					-		234,252
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,725,491</b>
Deferred Inflows of Resources:							
Unavailable revenue - sewer use					-		27,488
Unavailable revenue - sewer assessments					-		451,057
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,545</b>
Fund Balances:							
Nonspendable	7,500		997,403	40,045	1,044,948		1,097,254
Restricted					-		4,980,419
Committed					-		13,148,558
Assigned					-		218,068
<b>Total fund balances</b>	<b>7,500</b>	<b>-</b>	<b>997,403</b>	<b>40,045</b>	<b>1,044,948</b>	<b>-</b>	<b>19,444,299</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 7,500</b>	<b>\$ -</b>	<b>\$ 997,403</b>	<b>\$ 40,045</b>	<b>\$ 1,044,948</b>	<b>\$ -</b>	<b>\$ 21,648,335</b>

**CITY OF BRISTOL, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds								
	Equipment and Building Sinking	Community Development Act	Special Grants and Donations	Bristol School Lunch Program	Manross Memorial Library	Sewer Operating and Assessment	Solid Waste Disposal	Police Department Drug Forfeiture	Pine Lake Challenge Course
Revenues:									
Sewer assessments, interest and liens	\$	\$	\$	\$	\$	45,721	\$	\$	\$
Licenses and permit			744,805				324,463		73,880
Intergovernmental		762,229	877,010	2,908,087	66,078			112,252	
Charges for services			284,553	442,470		7,148,336			
Investment earnings	16,996	10,371	12,749	2	4,627	31,030	2,901	1,112	526
Net appreciation in the fair market value of investments									
Contribution			896,992						
Miscellaneous	29,266		22,511						
Total revenues	<u>46,262</u>	<u>772,600</u>	<u>2,838,620</u>	<u>3,350,559</u>	<u>70,705</u>	<u>7,225,087</u>	<u>327,364</u>	<u>113,364</u>	<u>74,406</u>
Expenditures:									
General government	55,948	915,948	651,266						112,975
Public safety	374,258		262,427					228,263	
Public works	459,293		27,077			5,728,609	1,086,437		
Health and welfare		690,139	547,814						
Libraries			70,957		1,207				
Parks and recreation	129,022		230,539						
Education	56		879,634	3,582,720					
Total expenditures	<u>1,018,577</u>	<u>1,606,087</u>	<u>2,669,714</u>	<u>3,582,720</u>	<u>1,207</u>	<u>5,728,609</u>	<u>1,086,437</u>	<u>228,263</u>	<u>112,975</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(972,315)</u>	<u>(833,487)</u>	<u>168,906</u>	<u>(232,161)</u>	<u>69,498</u>	<u>1,496,478</u>	<u>(759,073)</u>	<u>(114,899)</u>	<u>(38,569)</u>
Other Financing Sources (Uses):									
Transfers in	1,405,148	727,635	33,750	225,000			802,600		
Transfers out	(70,000)					(1,967,640)			
Total other financing sources (uses)	<u>1,335,148</u>	<u>727,635</u>	<u>33,750</u>	<u>225,000</u>	<u>-</u>	<u>(1,967,640)</u>	<u>802,600</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	362,833	(105,852)	202,656	(7,161)	69,498	(471,162)	43,527	(114,899)	(38,569)
Fund Balance Beginning of Year	<u>3,629,152</u>	<u>2,237,770</u>	<u>2,338,682</u>	<u>77,576</u>	<u>856,200</u>	<u>6,766,612</u>	<u>284,240</u>	<u>297,799</u>	<u>132,711</u>
Fund Balance End of Year	<u>\$ 3,991,985</u>	<u>\$ 2,131,918</u>	<u>\$ 2,541,338</u>	<u>\$ 70,415</u>	<u>\$ 925,698</u>	<u>\$ 6,295,450</u>	<u>\$ 327,767</u>	<u>\$ 182,900</u>	<u>\$ 94,142</u>

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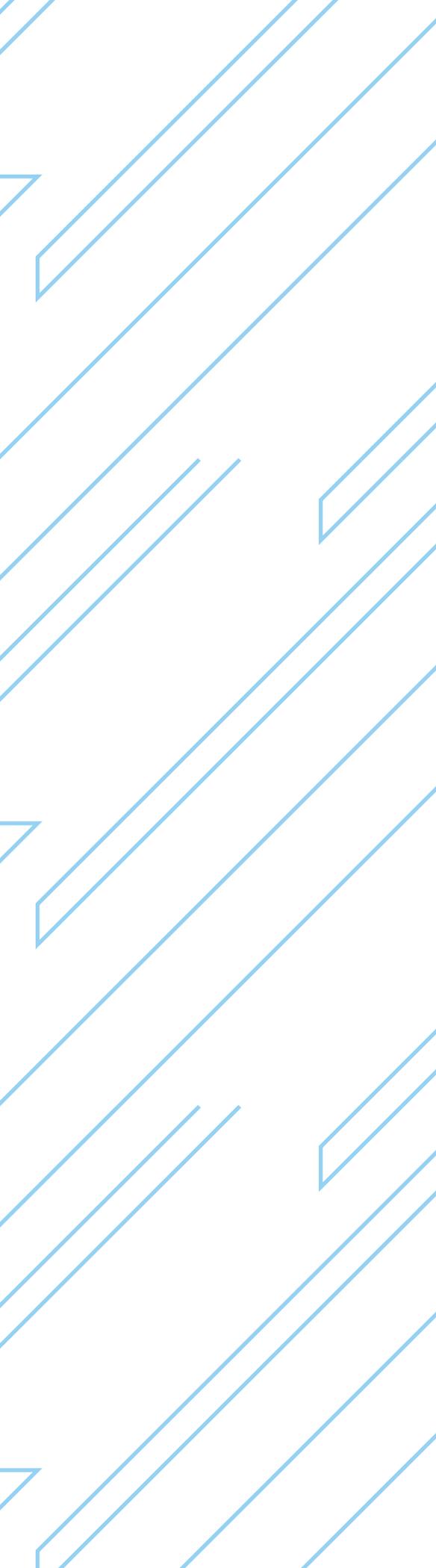
CITY OF BRISTOL, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds							Reserve Fund for Depreciation for Page Park Swimming Pool	Total
	LOCIP Projects	Transfer Station	Student Activity	Open Space	Centre Mall	Pardee Fund #1	Pardee Fund #2		
Revenues:									
Sewer assessments, interest and liens	\$	\$	\$	\$	\$	\$	\$	\$	\$ 45,721
Licenses and permit		42,180							1,185,328
Intergovernmental	193,206		7,232						4,926,094
Charges for services		328,311	286,989		21,600				8,512,259
Investment earnings	617	3,875	3,256	21	2,386	75		233	90,777
Net appreciation in the fair market value of investments									-
Contribution			116,090						1,013,082
Miscellaneous		389							52,166
Total revenues	<u>193,823</u>	<u>374,755</u>	<u>413,567</u>	<u>21</u>	<u>23,986</u>	<u>75</u>	<u>-</u>	<u>233</u>	<u>15,825,427</u>
Expenditures:									
General government					956				1,737,093
Public safety									864,948
Public works	87,819	718,506							8,107,741
Health and welfare									1,237,953
Libraries									72,164
Parks and recreation									359,561
Education			438,823						4,901,233
Total expenditures	<u>87,819</u>	<u>718,506</u>	<u>438,823</u>	<u>-</u>	<u>956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,280,693</u>
Excess (Deficiency) of Revenues over Expenditures	<u>106,004</u>	<u>(343,751)</u>	<u>(25,256)</u>	<u>21</u>	<u>23,030</u>	<u>75</u>	<u>-</u>	<u>233</u>	<u>(1,455,266)</u>
Other Financing Sources (Uses):									
Transfers in		365,510	2,000			8	8		3,561,659
Transfers out									(2,037,640)
Total other financing sources (uses)	<u>-</u>	<u>365,510</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>	<u>1,524,019</u>
Net Change in Fund Balances	106,004	21,759	(23,256)	21	23,030	83	8	233	68,753
Fund Balance Beginning of Year	<u>79,205</u>	<u>389,212</u>	<u>634,403</u>	<u>4,044</u>	<u>454,887</u>	<u>36,138</u>	<u>1,257</u>	<u>110,710</u>	<u>18,330,598</u>
Fund Balance End of Year	<u>\$ 185,209</u>	<u>\$ 410,971</u>	<u>\$ 611,147</u>	<u>\$ 4,065</u>	<u>\$ 477,917</u>	<u>\$ 36,221</u>	<u>\$ 1,265</u>	<u>\$ 110,943</u>	<u>\$ 18,399,351</u>

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**CITY OF BRISTOL, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Permanent Funds					Interfund Eliminations	Total Nonmajor Governmental Funds
	Sarah Norton Pardee Trust	Mary J. Atwood Trust	Storm Water Control Trust	Lake Avenue Cemetery Trust	Total		
Revenues:							
Sewer assessments, interest and liens	\$	\$	\$	\$	\$ -	\$	\$ 45,721
Licenses and permit					-		1,185,328
Intergovernmental					-		4,926,094
Charges for services					-		8,512,259
Investment earnings	16		25,666	204	25,886		116,663
Net appreciation in the fair market value of investments			37,433		37,433		37,433
Contribution					-		1,013,082
Miscellaneous					-		52,166
Total revenues	<u>16</u>	<u>-</u>	<u>63,099</u>	<u>204</u>	<u>63,319</u>	<u>-</u>	<u>15,888,746</u>
Expenditures:							
General government					-		1,737,093
Public safety					-		864,948
Public works					-		8,107,741
Health and welfare					-		1,237,953
Libraries					-		72,164
Parks and recreation					-		359,561
Education		993			993		4,902,226
Total expenditures	<u>-</u>	<u>993</u>	<u>-</u>	<u>-</u>	<u>993</u>	<u>-</u>	<u>17,281,686</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16</u>	<u>(993)</u>	<u>63,099</u>	<u>204</u>	<u>62,326</u>	<u>-</u>	<u>(1,392,940)</u>
Other Financing Sources (Uses):							
Transfers in					-	(16)	3,561,643
Transfers out	(16)				(16)	16	(2,037,640)
Total other financing sources (uses)	<u>(16)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>-</u>	<u>1,524,003</u>
Net Change in Fund Balances	-	(993)	63,099	204	62,310	-	131,063
Fund Balance Beginning of Year	<u>7,500</u>	<u>993</u>	<u>934,304</u>	<u>39,841</u>	<u>982,638</u>	<u>-</u>	<u>19,313,236</u>
Fund Balance End of Year	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ 997,403</u>	<u>\$ 40,045</u>	<u>\$ 1,044,948</u>	<u>\$ -</u>	<u>\$ 19,444,299</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).

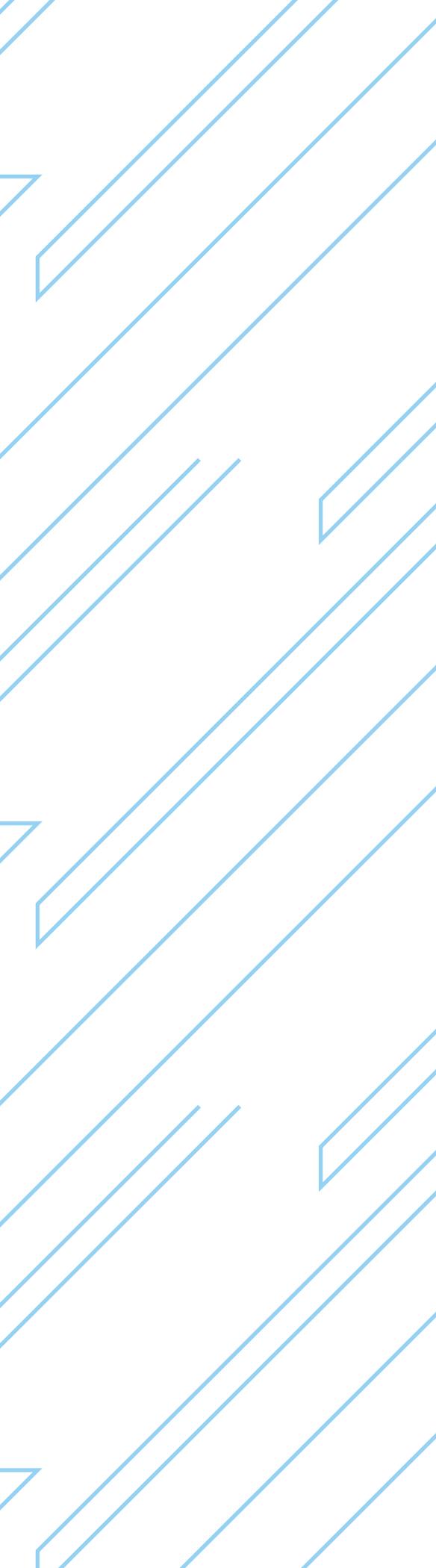
**CITY OF BRISTOL, CONNECTICUT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
(In Thousands)

<u>Fiscal Year</u>	<u>Department</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>
Schools - Fund 301:								
2007	BOE	Forestville K-8 School	\$ 44,510	\$ 2	\$ 44,523	\$	\$ 44,523	\$ (13)
2007	BOE	West Bristol K-8 School	42,461		42,344	119	42,463	(2)
2014	BOE	Northeast Middle School Roof	1,841		1,829		1,829	12
2015	BOE	Stafford School Oil Tank Replacement	160		164			
2016	BOE	Hubbell Oil Tank Replacement	139		134		134	5
2016	BOE	Northeast Oil Tank Replacement	161		109		109	52
2016	BOE	Hubbell School Roof	2,108	9	1,655		1,655	453
2016	BOE	Early Childhood Playscapes	162		159		159	3
2016	BOE	General Improvements School Buildings	1,710		1,726		1,726	(16)
2017	BOE	BOE District Feasibility Study	60		64		64	(4)
2017	BOE	BOE Admin Tank Removal	20		-		-	20
2017	BOE	BEHS Tank Removal	65	19	19	2	21	44
2017	BOE	Chippens Hill Roof	2,910	(45)	2,492		2,492	418
2017	BOE	BCHS Tennis Courts	350		338	1	339	11
2017	BOE	BEHS Tennis Courts	405		398	1	399	6
2017	BOE	Greene Hills Geothermal Issues	300	229	330		330	(30)
2018	BOE	BCHS Heating Fuel Tank Replacement	345	17	22	4	26	319
2018	BOE	Memorial Blvd Arts Magnet School	54,890	607	622	1,686	2,308	52,582
2018	BOE	General Improv. School Buildings Grant	1,080	840	1,085		1,085	(5)
2019	BOE	Southside School HVAC Update	3,597	18	18		18	3,579
2019	BOE	Stafford School Roof	2,044	15	15		15	2,029
2019	BOE	Hot Water Heaters BEHS/BCHS	250	222	222	11	233	17
2019	BOE	Playground 7 Field Improvements	150		-		-	150
Total Schools - Fund 301			159,718	1,933	98,268	1,824	99,928	59,630
Capital Projects - Fund 302:								
	PW C.I.	Contingency-Bridge Control	126				-	126
2002	BDA	Downtown Revitalization Phase 1	3,675		3,627		3,627	48
2005	BDA	Downtown Revitalization Phase 2	7,688	22	7,687		7,687	1
2005	Parks&Rec.	Memorial Boulevard Parking Enhancements	150		121		121	29
2006	MIS	Fiberoptics	1,350	6	1,347		1,347	3
2007	PW Garage	Public Works Garage Rehabilitation	451	1	451		451	-
2007	PW Streets	Realignment-Union, South & Church Streets	490		419	25	444	46
2007	Police	City Traffic Control Signal Upgrade	458	5	432	1	433	25
2008	PW Streets	Citywide - Roadside Barrier	510		371	20	391	119
2008	Fire	E4 Architectural Study	5,913		5,913		5,913	-
2008	MIS	GIS System	590	19	555		555	35
2008	BDDC	Mall Demolition/Abatement	1,379	6	1,379		1,379	-
2010	Aging	Senior Center Utility Upgrades	4,741		4,698	10	4,708	33
2010	PW Streets	Richard Court Berm/Channel	592	181	246	359	605	(13)
2011	PW Solid Waste	Single Stream Recycling Program	1,295		1,295		1,295	-
2011	PW Major Bridge	Major Bridge Repairs	380		36		36	344
2012	PW Streets	Hillside Place Intersection Reconstruction	540	(4)	540		540	-
2013	MIS	Telephone System Replacement	1,100	16	1,028	21	1,049	51
2013	PW Engineering	Sediment Removal-Pequabuck	200		-		-	200
2013	PW Engineering	Pequabuck River-Flood Control Study	110		-		-	110
2014	Fire	Engine 5 Renovations	897		895		895	2
2014	Police	Traffic Sign Retroreflectivity	97	1	85		85	12
2014	PW	Louisiana Bridge Replacement	300	53	288		288	12
2014	PW Streets	Divinity St. Culvert	350		3	17	20	330
2014	PD Communic.	Radio Upgrade Project	6,674	1	6,672		6,672	2
2014	PW Streets	Union, South, Church Construction	2,205		1,886	100	1,986	219
2015	Public Works	ADA Projects	200		2		2	198
2015	Parks&Rec.	Memorial Blvd Bridge Replacement	240		45	196	241	(1)
2015	PW Streets	Munchausen & Bartholomew Reclam	127		126		126	1
2015	PW Streets	Mountain Rd Rock Face Stabilization	338	(8)	340	5	345	(7)
2015	PW Streets	Traffic Signal Video Detection Upgrade	528	43	412		412	116
2016	PW Bridge	Down Street Bridge Replacement	320		90	178	268	52
2016	PW Bridge	Louisiana Bridge Replacement	2,400		19		19	2,381
2016	BDA	Planning/Reuse of Former mall	320	13	293	23	316	4
2017	PW Streets	Pavement Management Survey	58	6	57	2	59	(1)
2017	PW Streets	Reconstruction Curtiss, Zipp and Twining	520		278		278	242
2017	PW Streets	Traffic Signal Modifications	120		-		-	120
2017	PW Streets	Reconstruction Sharon, Dover and Warren	380	4	4	53	57	323
2017	PW Streets	Reconstruction of Lexington Street	440	119	119	121	240	200
2017	PW Streets	Street Lighting Upgrade	1,820	6	1,783		1,783	37
2017	PW Streets	Willis St/East Rd Intersection Realignment	12		4		4	8
2017	PW Streets	Streetscape Improvements	200		-		-	200
2017	MIS	MUNIS Consolidation	8		8		8	-
2017	MIS	Tyler Content Management	140	11	114	17	131	9
2017	Parks&Rec.	Replace DMAC Boilers	145		75		75	70

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF EXPENDITURES - ACTUAL VS. APPROPRIATIONS**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
(In Thousands)

<u>Fiscal Year</u>	<u>Department</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>
2017	Fire	Replace Engine 7	\$ 540	\$	\$ 540	\$	\$ 540	\$ -
2017	PW Streets	Cedar Hills Phase I	65	-	-	-	-	65
2017	BDA	Remediation of 273 Riverside Ave.	28	2	8	2	10	18
2017	BDA	894 Middle Street Remediation	1,989	1,283	1,409	684	2,093	(104)
2018	Fire	Apparatus Replacement	570	284	570	-	570	-
2018	City Clerk	Vault Expansion	225	-	-	-	-	225
2018	Parks&Rec.	Muzzy Field Movable Bleachers	200	-	95	-	95	105
2018	PW Streets	Centre Square Infrastructure	4,000	1,522	3,188	249	3,437	563
2018	PW Streets	Storm Drainage Shrub/Ferraro Rd.	212	119	222	-	222	(10)
2018	PW Streets	Railroad Crossing at Clark Ave.	150	-	-	-	-	150
2018	PW Streets	Brentwood Dr. Reconstruction	210	-	210	-	210	-
2018	PW Garage	Vincent P. Kelly Facility Renovations	330	-	2	2	4	326
2018	Police	Police/Court Chiller Replacement	228	223	223	15	238	(10)
2018	PW Admin	Lead Abatement City Hall	100	-	-	-	-	100
2018	Parks&Rec.	Page Park Pool Repairs	210	-	198	5	203	7
2019	MIS	Fortient Firewalls	40	32	32	-	32	8
2019	Parks&Rec.	Page Park Pool & Bathhouse	3,000	198	198	59	257	2,743
2019	Fire	Apparatus Replacement	1,400	1,348	1,348	2	1,350	50
2019	PW Streets	Louisiana Ave. Bridge Replacement	1,800	-	-	26	26	1,774
2019	PW Streets	Mellon St. Bridge	380	-	-	-	-	380
2019	PW Streets	East St. Bridge	400	-	-	-	-	400
2019	PW Streets	Wolcott St. Reconstruction	130	-	-	-	-	130
2019	PW Streets	Lake Ave. Bridge	140	-	-	-	-	140
2019	PW Streets	Rockwell Ave. Reclamation	210	-	-	-	-	210
2019	PW Streets	City Hall Heat/AC Perimeter	675	-	-	-	-	675
2019	PW Streets	City Hall Building Program	350	1	1	-	1	349
2019	PW Solid Waste	Landfill Assessment	60	44	44	-	44	16
2019	PW Engineering	Pequabuck River Evaluation	45	45	45	-	45	-
2019	BDA	Traffic Study Sheila Court/Farmington Ave.	10	8	8	2	10	-
2019	PW Engineering	Community Connectivity Grant	300	-	-	-	-	300
2019	Parks&Rec.	DEEP Open Space Grant	2,100	-	-	-	-	2,100
2019	Fire	Station #3 Kitchen Renovations	26	-	-	-	-	26
2019	Fire	Station #3 Replace A/C Units	14	-	-	-	-	14
		Total Capital Projects - Fund 302	70,714	5,610	52,084	2,194	54,278	16,436
		CNR - Fund 305:						
1991	CDBG	SE Mini-Industrial Park Project	5,048	2	4,968	8	4,976	72
1996	Landfill	Landfill Engineering Costs	1,181	-	934	1	935	246
2002	Landfill	Landfill BRRFOC	3,357	-	1,761	-	1,761	1,596
2001	BDA	SE Mini Industrial Park Grant	3,031	6	2,989	-	2,989	42
2006	Railroad	Railroad Spur Update	286	-	254	-	254	32
2007	Landfill	Landfill Damage	534	63	291	14	305	229
2008	Misc	Cemetery Restoration	31	-	28	-	28	3
2012	BOE	MUNIS Training	72	-	23	10	33	39
2012	Public Works	Broad St. Sediment	193	-	195	-	195	(2)
2012	Assessor	Revaluation	1,188	60	865	-	865	323
2013	Public Works	259 East Main St.	165	-	147	-	147	18
2014	Public Works	Frederick Street Properties	578	-	570	-	570	8
2017	Public Works	Railroad Bridge Rehab	220	52	216	-	216	4
		Total CNR - Fund 305	15,884	183	13,241	33	13,274	2,610
		Capital And Nonrecurring - Fund 126:						
1999	WPC	99 CIP I/I Phase I	3,330	85	3,330	-	3,330	-
2001	WPC	Infiltration/Inflow Phase II	3,445	89	3,445	-	3,445	-
2001	WPC	Infiltration/Inflow Phase III	3,348	90	3,348	-	3,348	-
2002	WPC	Infiltration/Inflow Phase IV	1,492	42	1,492	-	1,492	-
2002	WPC	Denitrification Phase I	1,089	28	1,089	-	1,089	-
2008	WPC	Broad St. Force Main Replacement	100	-	1	-	1	99
2009	WPC	Forestville Reduction Relief Force	4,884	-	4,883	-	4,883	1
2010	WPC	Broad Street Pump Station Upgrades	1,420	-	1,332	-	1,332	88
2011	WPC	Sewer System Rehab Broad St	1,526	38	1,426	-	1,426	100
2011	WPC	Phosphorus Removal Upgrade	18,443	437	14,977	-	14,977	3,466
2014	WPC	Blakeslee Street Sanitary Sewers	180	-	103	-	103	77
2016	WPC	WPC Facility Renovations	1,005	-	837	-	837	168
2016	WPC	Frederick Street Sanitary Sewer	529	-	530	-	530	(1)
2016	WPC	Munchausen and Bartholomew Streets	200	-	196	-	196	4
2017	WPC	Sewer Cleaning Truck	350	-	336	-	336	14
2017	WPC	Solids Storage Tank	150	(34)	82	-	82	68
2017	WPC	Sanitary Sewer	250	-	-	-	-	250
2018	WPC	Repair Treatment Tanks	200	-	200	-	200	-
2018	WPC	Manhole Rehabilitation	200	3	3	43	46	154
		Total Capital And Nonrecurring - Fund 126	42,141	778	37,410	43	37,453	4,688
		Totals	\$ 288,457	\$ 8,504	\$ 201,003	\$ 4,094	\$ 204,933	\$ 83,364



# 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 STATEMENT OF NET POSITION  
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 6,869,074	\$ 1,850,983
Investments		5,317,102
Receivables, net	1,601,091	1,414,752
Inventories	255,320	258,397
Other assets	8,340	6,961
Total current assets	<u>8,733,825</u>	<u>8,848,195</u>
Noncurrent:		
Net pension asset	8,807,480	9,278,021
Capital assets:		
Assets not being depreciated	4,424,887	3,886,704
Assets being depreciated, net	19,086,312	19,231,918
Total noncurrent assets	<u>32,318,679</u>	<u>32,396,643</u>
Total assets	<u>41,052,504</u>	<u>41,244,838</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	74,832	92,966
Deferred outflows related to pension	614,255	209,399
Deferred outflows related to OPEB	818,563	25,259
Total deferred outflows of resources	<u>1,507,650</u>	<u>327,624</u>
Liabilities:		
Current:		
Accounts and other payables	498,655	539,096
Payroll liabilities	49,453	95,938
Customer deposits	26,381	70,965
Compensated absences - current	49,252	48,841
Bonds payable - current	269,000	258,000
Notes payable - current	71,412	37,256
Total current liabilities	<u>964,153</u>	<u>1,050,096</u>
Noncurrent:		
Compensated absences	325,562	313,407
Bonds payable	1,286,510	1,587,762
Notes payable	1,084,107	658,423
Net OPEB liability	4,363,491	3,628,979
Total noncurrent liabilities	<u>7,059,670</u>	<u>6,188,571</u>
Total liabilities	<u>8,023,823</u>	<u>7,238,667</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	<u>225,235</u>	<u>691,488</u>
Net Position:		
Net investment in capital assets	20,875,002	20,577,181
Restricted for pensions	8,807,480	9,278,021
Unrestricted	<u>4,628,614</u>	<u>3,787,105</u>
Total Net Position	<u>\$ 34,311,096</u>	<u>\$ 33,642,307</u>

**CITY OF BRISTOL, CONNECTICUT  
WATER ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Revenues:		
Charges for services	\$ 7,676,800	\$ 7,078,318
Miscellaneous operating revenue	547,871	422,192
Total operating revenues	<u>8,224,671</u>	<u>7,500,510</u>
Operating Expenses:		
Source of supply	232,074	241,077
Pumping	313,995	254,304
Purification	989,765	947,127
Transmission and distribution	1,789,251	1,144,342
Customer accounts, administrative and general	2,445,622	2,430,106
Depreciation	1,136,286	1,061,720
Taxes other than income taxes	540,879	506,148
Total operating expenses	<u>7,447,872</u>	<u>6,584,824</u>
Operating Income	<u>776,799</u>	<u>915,686</u>
Nonoperating Revenues (Expenses):		
Income (loss) on investments	(36,629)	306,518
Interest expense	(85,499)	(86,964)
Amortization of debt discount and expense	14,118	16,177
Bond issuance costs		(3,513)
Total nonoperating revenues (expenses)	<u>(108,010)</u>	<u>232,218</u>
Change in Net Position	668,789	1,147,904
Net Position at Beginning of Year	<u>33,642,307</u>	<u>32,494,403</u>
Net Position at End of Year	<u>\$ 34,311,096</u>	<u>\$ 33,642,307</u>

**CITY OF BRISTOL  
WATER ENTERPRISE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Cash received from charges for services	\$ 8,038,332	\$ 7,414,494
Cash paid to employees	(2,799,486)	(3,042,180)
Cash paid to suppliers	(4,044,122)	(3,296,200)
Deposits paid back to customers	(44,584)	27,801
Net cash provided by (used in) operating activities	<u>1,150,140</u>	<u>1,103,915</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets/utility plant	(1,540,665)	(1,112,685)
Issuance of notes	497,096	
Loss on disposal of asset	7,706	22,037
Principal payments on bonds and notes	(295,255)	(321,518)
Interest payments and issuance costs	(79,013)	(76,558)
Net cash provided by (used in) capital and related financing activities	<u>(1,410,131)</u>	<u>(1,488,724)</u>
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments	5,314,711	
Income (loss) on investments	(36,629)	14,063
Net cash provided by (used in) investing activities	<u>5,278,082</u>	<u>14,063</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,018,091	(370,746)
Cash and Cash Equivalents at Beginning of Year	<u>1,850,983</u>	<u>2,221,729</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,869,074</u>	<u>\$ 1,850,983</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 776,799	\$ 915,686
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,136,286	1,061,720
(Increase) decrease in customer accounts receivable	(186,339)	(86,016)
(Increase) decrease in inventory	3,077	(5,901)
(Increase) decrease in other assets	(1,379)	(411)
(Increase) decrease in net pension asset	470,541	(1,268,124)
(Increase) decrease in deferred outflows	(1,198,160)	(234,658)
Increase (decrease) in accounts payable	(40,441)	(107,984)
Increase (decrease) in payroll liabilities	(46,485)	58,918
Increase (decrease) in accrued compensated absences	12,566	21,594
Increase (decrease) in customer deposits	(44,584)	27,801
Increase (decrease) in net OPEB liability	734,512	29,802
Increase (decrease) in deferred inflows	(466,253)	691,488
Total adjustments	<u>373,341</u>	<u>188,229</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,150,140</u>	<u>\$ 1,103,915</u>



# 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 STATEMENT OF NET POSITION  
JUNE 30, 2019 AND 2018**

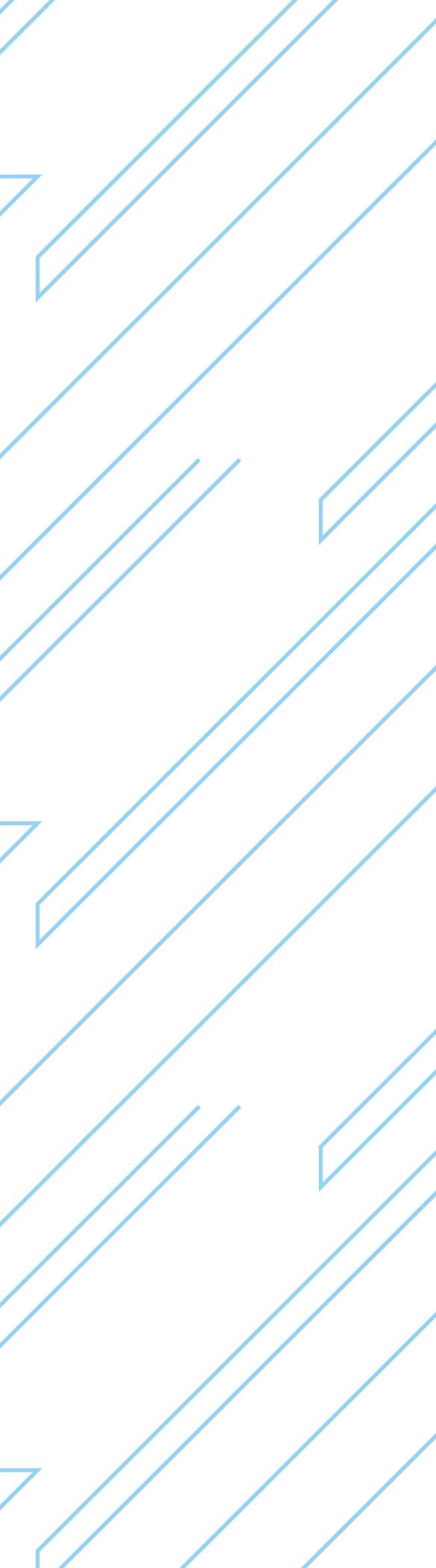
	<u>2019</u>	<u>2018</u>
Assets:		
Cash and cash equivalents	\$ 23,116,189	\$ 25,804,525
Accounts receivable	35,543	49,486
Due from other funds	1,056,220	1,282,174
Other assets	<u>454,167</u>	<u>          </u>
Total assets	<u>24,662,119</u>	<u>27,136,185</u>
Liabilities:		
Accounts payable	1,095,127	972,563
Unpaid claims	10,935,955	10,594,781
Unearned revenues	<u>7,160</u>	<u>38,685</u>
Total liabilities	<u>12,038,242</u>	<u>11,606,029</u>
Net Position:		
Unrestricted	<u>\$ 12,623,877</u>	<u>\$ 15,530,156</u>

**CITY OF BRISTOL, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	\$ 37,218,449	\$ 37,060,933
Contributions	35,150	81,734
Other	<u>414,440</u>	<u>800,913</u>
Total operating revenues	37,668,039	37,943,580
Operating expenses:		
Insurance claims, premiums and fees	<u>40,728,264</u>	<u>38,925,837</u>
Operating loss	(3,060,225)	(982,257)
Nonoperating revenues:		
Income on investments	<u>153,946</u>	<u>60,934</u>
Change in Net Position	(2,906,279)	(921,323)
Net Position at Beginning of Year	<u>15,530,156</u>	<u>16,451,479</u>
Net Position at End of Year	<u>\$ 12,623,877</u>	<u>\$ 15,530,156</u>

**CITY OF BRISTOL, CONNECTICUT  
INTERNAL SERVICE FUNDS  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Cash received from charges for services	\$ 37,232,392	\$ 37,073,493
Cash received from other operating revenue	(36,102)	838,543
Cash payments for claims paid	(40,264,526)	(39,678,500)
Cash for interfund services used	<u>225,954</u>	<u>(335,674)</u>
Net cash provided (used) in operating activities	<u>(2,842,282)</u>	<u>(2,102,138)</u>
Cash Flows from Investing Activities:		
Interest income	<u>153,946</u>	<u>60,934</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,688,336)	(2,041,204)
Cash and Cash Equivalents at Beginning of Year	<u>25,804,525</u>	<u>27,845,729</u>
Cash and Cash Equivalents at End of Year	<u>\$ 23,116,189</u>	<u>\$ 25,804,525</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ <u>(3,060,225)</u>	\$ <u>(982,257)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in accounts receivable	13,943	12,560
(Increase) decrease in due from other funds	225,954	(335,674)
(Increase) decrease in other assets	(454,167)	
Increase (decrease) in accounts payable	122,564	485,155
Increase (decrease) in unpaid claims	341,174	(1,237,818)
Increase (decrease) in unearned revenues	<u>(31,525)</u>	<u>(44,104)</u>
Total adjustments	<u>217,943</u>	<u>(1,119,881)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,842,282)</u>	<u>\$ (2,102,138)</u>



# Fiduciary Funds

## **FIDUCIARY FUNDS**

### **Pension Trust Fund**

**City of Bristol General Retirement System** - 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.)

### **OPEB Trust Fund**

**Other Post Employment Benefits** - to account for the accumulation of resources to be used for other post employment benefits in accordance with City Council resolutions and bargaining agreements.

### **Agency Funds**

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

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

**CITY OF BRISTOL, CONNECTICUT  
PENSION AND OPEB TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018**

	Pension Trust Fund	OPEB Trust Fund	Totals	
			2019	2018
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,706,391	\$ 3,572,673	\$ 23,279,064	\$ 11,915,121
Investments	634,124,792	8,734,784	642,859,576	645,237,179
Accounts receivable	6,971		6,971	
Total Assets	<u>653,838,154</u>	<u>12,307,457</u>	<u>666,145,611</u>	<u>657,152,300</u>
<b>LIABILITIES</b>				
Vouchers payable				54,357
<b>NET POSITION</b>				
Restricted for pension	653,838,154		653,838,154	647,171,556
Restricted for OPEB		12,307,457	12,307,457	9,926,387
Total Net Position	<u>\$ 653,838,154</u>	<u>\$ 12,307,457</u>	<u>\$ 666,145,611</u>	<u>\$ 657,097,943</u>

**CITY OF BRISTOL, CONNECTICUT  
PENSION AND OPEB TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018**

	Pension	OPEB	Totals	
	Trust Fund	Trust Fund	2019	2018
Additions:				
Contributions:				
Employer	\$	\$ 7,917,323	\$ 7,917,323	\$ 8,418,466
Plan members	2,234,181	390,715	2,624,896	2,838,014
Total contributions	<u>2,234,181</u>	<u>8,308,038</u>	<u>10,542,219</u>	<u>11,256,480</u>
Investment income:				
Net appreciation in fair value of investments	29,107,344	364,623	29,471,967	55,177,262
Interest and dividends	5,542,717	216,753	5,759,470	7,303,914
	<u>34,650,061</u>	<u>581,376</u>	<u>35,231,437</u>	<u>62,481,176</u>
Less investment expense	<u>(4,401,353)</u>	<u>(41,021)</u>	<u>(4,442,374)</u>	<u>(4,257,115)</u>
Net investment income	<u>30,248,708</u>	<u>540,355</u>	<u>30,789,063</u>	<u>58,224,061</u>
Total additions	<u>32,482,889</u>	<u>8,848,393</u>	<u>41,331,282</u>	<u>69,480,541</u>
Deductions:				
Benefits	25,638,387	6,467,323	32,105,710	28,683,914
Administration	177,904		177,904	190,448
Total deductions	<u>25,816,291</u>	<u>6,467,323</u>	<u>32,283,614</u>	<u>28,874,362</u>
Net Change	6,666,598	2,381,070	9,047,668	40,606,179
Net Position Restricted for Pension and OPEB Benefits at July 1	<u>647,171,556</u>	<u>9,926,387</u>	<u>657,097,943</u>	<u>616,491,764</u>
Net Position Restricted for Pension and OPEB Benefits at June 30	<u>\$ 653,838,154</u>	<u>\$ 12,307,457</u>	<u>\$ 666,145,611</u>	<u>\$ 657,097,943</u>

**CITY OF BRISTOL, CONNECTICUT**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Senior Citizens Activity Fund</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 122,190	\$ 275,168	\$ 241,362	\$ 155,996
<b>LIABILITIES</b>				
Accounts payable	\$ 144	\$ 204,410	\$ 200,518	\$ 4,036
Due to senior citizens	122,046	70,758	40,844	151,960
Total	\$ 122,190	\$ 275,168	\$ 241,362	\$ 155,996
<u>School Activity Fund</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 699,882	\$ 1,068,655	\$ 1,056,907	\$ 711,630
Investments	76,665	572	12,530	64,707
Total	\$ 776,547	\$ 1,069,227	\$ 1,069,437	\$ 776,337
<b>LIABILITIES</b>				
Due to student groups	\$ 776,547	\$ 1,069,227	\$ 1,069,437	\$ 776,337
<u>Total Agency Funds</u>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 822,072	\$ 1,343,823	\$ 1,298,269	\$ 867,626
Investments	76,665	572	12,530	64,707
Total	\$ 898,737	\$ 1,344,395	\$ 1,310,799	\$ 932,333
<b>LIABILITIES</b>				
Accounts payable	\$ 144	\$ 204,410	\$ 200,518	\$ 4,036
Due to senior citizens	122,046	70,758	40,844	151,960
Due to student groups	776,547	1,069,227	1,069,437	776,337
Total	\$ 898,737	\$ 1,344,395	\$ 1,310,799	\$ 932,333

## 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 POSITION BY COMPONENT  
LAST TEN YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 254,524,989	\$ 266,282,611	\$ 257,933,889	\$ 268,588,824	\$ 261,086,435	\$ 256,306,000	\$ 251,935,000	\$ 226,701,000	\$ 179,772,000	\$ 206,272,000
Restricted	186,674,687	202,388,179	198,936,006	179,606,533	1,109,796	1,095,000	1,004,000	930,000	752,000	655,000
Unrestricted	46,779,121	34,221,754	73,469,419	81,904,688	275,282,127	36,201,000	30,900,000	46,977,000	61,786,000	27,173,000
Total Governmental Activities Net Position	<u>\$ 487,978,797</u>	<u>\$ 502,892,544</u>	<u>\$ 530,339,314</u>	<u>\$ 530,100,045</u>	<u>\$ 537,478,358</u>	<u>\$ 293,602,000</u>	<u>\$ 283,839,000</u>	<u>\$ 274,608,000</u>	<u>\$ 242,310,000</u>	<u>\$ 234,100,000</u>
Business-type activities:										
Net investment in capital assets	\$ 20,875,002	\$ 20,577,181	\$ 20,317,443	\$ 20,196,326	\$ 20,654,635	\$ 20,910,000	\$ 20,027,000	\$ 19,971,000	\$ 19,706,000	\$ 20,667,000
Restricted	8,807,480	9,278,021								
Unrestricted	4,628,614	3,787,105	7,766,240	6,832,695	6,528,889	5,494,000	5,377,000	4,810,000	5,314,000	3,598,000
Total Business-type Activities Net Position	<u>\$ 34,311,096</u>	<u>\$ 33,642,307</u>	<u>\$ 28,083,683</u>	<u>\$ 27,029,021</u>	<u>\$ 27,183,524</u>	<u>\$ 26,404,000</u>	<u>\$ 25,404,000</u>	<u>\$ 24,781,000</u>	<u>\$ 25,020,000</u>	<u>\$ 24,265,000</u>
Primary government:										
Net investment in capital assets	\$ 275,399,991	\$ 286,859,792	\$ 278,251,332	\$ 288,785,150	\$ 281,741,070	\$ 277,216,000	\$ 271,962,000	\$ 246,672,000	\$ 199,478,000	\$ 226,939,000
Restricted	195,482,167	211,666,200	198,936,006	179,606,533	1,109,796	1,095,000	1,004	930,000	752,000	655,000
Unrestricted	51,407,735	38,008,859	81,235,659	88,737,383	281,811,016	41,695,000	36,277,000	51,787,000	67,100,000	30,771,000
Total Primary Government Net Position	<u>\$ 522,289,893</u>	<u>\$ 536,534,851</u>	<u>\$ 558,422,997</u>	<u>\$ 557,129,066</u>	<u>\$ 564,661,882</u>	<u>\$ 320,006,000</u>	<u>\$ 308,240,004</u>	<u>\$ 299,389,000</u>	<u>\$ 267,330,000</u>	<u>\$ 258,365,000</u>

## Notes:

Schedule prepared on the accrual basis of accounting

**CITY OF BRISTOL, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 15,206,941	\$ 12,194,227	\$ 21,518,842	\$ 20,970,806	\$ 15,826,836	\$ 10,867,000	\$ 12,352,000	\$ 12,567,000	\$ 12,549,000	\$ 14,433,000
Public safety	41,433,915	37,443,005	31,225,680	33,028,169	25,983,268	31,240,000	31,136,000	30,704,000	31,719,000	31,548,000
Public works	30,880,755	28,720,300	27,755,308	33,358,035	28,439,401	27,337,000	25,065,000	31,689,000	25,183,000	24,696,000
Health and welfare	8,515,040	8,566,460	8,472,561	8,749,471	8,536,374	6,705,000	7,243,000	6,003,000	6,327,000	5,656,000
Libraries	3,296,778	3,250,406	3,111,382	3,232,404	3,443,583	2,902,000	3,032,000	3,121,000	2,739,000	2,651,000
Parks and recreation	3,856,200	3,617,439	3,526,465	3,744,334	3,420,506	3,344,000	3,345,000	3,926,000	3,201,000	2,972,000
Education	152,066,662	164,662,832	152,095,342	142,696,114	136,084,395	132,972,000	128,708,000	133,432,000	123,128,000	122,597,000
Interest on long-term debt	3,162,151	2,568,739	1,714,198	2,093,677	2,306,348	2,574,000	3,041,000	2,070,000	2,830,000	2,246,000
<b>Total Governmental Activities Expenses</b>	<b>258,418,442</b>	<b>261,023,408</b>	<b>249,419,778</b>	<b>247,873,010</b>	<b>224,040,711</b>	<b>217,941,000</b>	<b>213,922,000</b>	<b>223,512,000</b>	<b>207,676,000</b>	<b>206,799,000</b>
<b>Business-type activities:</b>										
Water	7,519,253	6,659,124	7,292,518	7,585,568	7,267,743	6,909,000	7,066,000	6,775,000	6,529,000	6,208,000
<b>Total primary government expenses</b>	<b>265,937,695</b>	<b>267,682,532</b>	<b>256,712,296</b>	<b>255,458,578</b>	<b>231,308,454</b>	<b>224,850,000</b>	<b>220,988,000</b>	<b>230,287,000</b>	<b>214,205,000</b>	<b>213,007,000</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	2,368,308	2,328,207	1,335,428	1,310,578	1,756,430	2,389,000	2,151,000	2,114,000	2,310,000	2,481,000
Public works	8,268,657	7,983,155	10,809,801	9,888,737	7,991,234	8,573,000	7,380,000	7,263,000	7,138,000	6,582,000
Education	729,459	1,120,855	1,198,646	1,308,475	1,464,302	1,324,000	1,405,000	1,850,000	1,903,000	2,132,000
Other	4,835,930	4,351,725	2,430,930	2,064,396	1,774,339	2,457,000	1,839,000	2,693,000	2,431,000	2,492,000
Operating grants and contributions	76,939,048	93,600,969	84,993,707	79,078,101	76,414,293	76,664,000	69,848,000	73,300,000	69,468,000	68,554,000
Capital grants and contributions	1,612,984	2,136,579	4,213,374	7,648,148	2,735,539	4,950,000	8,696,000	42,600,000	10,704,000	4,014,000
<b>Total Governmental Activities Program Revenues</b>	<b>94,754,386</b>	<b>111,521,490</b>	<b>104,981,886</b>	<b>101,298,435</b>	<b>92,136,137</b>	<b>96,357,000</b>	<b>91,319,000</b>	<b>129,820,000</b>	<b>93,954,000</b>	<b>86,255,000</b>
<b>Business-type activities:</b>										
Charges for services	8,224,671	7,500,510	7,820,045	7,431,065	7,344,944	7,207,000	7,259,000	6,838,000	6,327,000	5,668,000
Capital grants and contributions						28,000	25,000	27,000	8,000	33,000
<b>Total business-type activities program revenues</b>	<b>8,224,671</b>	<b>7,500,510</b>	<b>7,820,045</b>	<b>7,431,065</b>	<b>7,344,944</b>	<b>7,235,000</b>	<b>7,284,000</b>	<b>6,865,000</b>	<b>6,335,000</b>	<b>5,701,000</b>
<b>Total primary government program revenues</b>	<b>102,979,057</b>	<b>119,022,000</b>	<b>112,801,931</b>	<b>108,729,500</b>	<b>99,481,081</b>	<b>103,592,000</b>	<b>98,603,000</b>	<b>136,685,000</b>	<b>100,289,000</b>	<b>91,956,000</b>

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net revenue (expense):										
Governmental activities	\$ (163,664,056)	\$ (149,501,918)	\$ (144,437,892)	\$ (146,574,575)	\$ (131,904,574)	\$ (121,584,000)	\$ (122,603,000)	\$ (93,692,000)	\$ (113,722,000)	\$ (120,544,000)
Business-type activities	705,418	841,386	527,527	(154,503)	77,201	326,000	218,000	90,000	(194,000)	(507,000)
Total primary government net expense	<u>(162,958,638)</u>	<u>(148,660,532)</u>	<u>(143,910,365)</u>	<u>(146,729,078)</u>	<u>(131,827,373)</u>	<u>(121,258,000)</u>	<u>(122,385,000)</u>	<u>(93,602,000)</u>	<u>(113,916,000)</u>	<u>(121,051,000)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	146,235,083	140,813,458	142,203,594	134,464,509	134,240,052	128,534,000	125,518,000	117,982,000	117,274,000	110,752,000
Grants and contributions not restricted to specific purposes	523,860	422,149	565,492	600,091	592,457	2,231,000	5,199,000	7,504,000	4,354,000	4,553,000
Unrestricted investment earnings	1,906,770	1,125,319	583,170	444,898	369,645	420,000	347,000	354,000	302,000	396,000
Gain on sale of capital assets	26,772									
Other general revenues	57,824	78,465	1,324,905	3,686,764	3,260,140	172,000	77,000	150,000	2,000	25,000
Total governmental activities	<u>148,750,309</u>	<u>142,439,391</u>	<u>144,677,161</u>	<u>139,196,262</u>	<u>138,462,294</u>	<u>131,357,000</u>	<u>131,141,000</u>	<u>125,990,000</u>	<u>121,932,000</u>	<u>115,726,000</u>
Business-type activities:										
Unrestricted investment earnings	(36,629)	306,518	583,170	444,898	1,110,305	674,000	405,000	(329,000)	949,000	451,000
Total primary government	<u>148,713,680</u>	<u>142,745,909</u>	<u>145,260,331</u>	<u>139,641,160</u>	<u>139,572,599</u>	<u>132,031,000</u>	<u>131,546,000</u>	<u>125,661,000</u>	<u>122,881,000</u>	<u>116,177,000</u>
Changes in net position:										
Governmental activities	(14,913,747)	(7,062,527)	239,269	(7,378,313)	6,557,720	9,773,000	8,538,000	32,298,000	8,210,000	(4,818,000)
Business-type activities	668,789	1,147,904	1,110,697	290,395	1,187,506	1,000,000	623,000	(239,000)	755,000	(56,000)
Total Primary Government	<u>\$ (14,244,958)</u>	<u>\$ (5,914,623)</u>	<u>\$ 1,349,966</u>	<u>\$ (7,087,918)</u>	<u>\$ 7,745,226</u>	<u>\$ 10,773,000</u>	<u>\$ 9,161,000</u>	<u>\$ 32,059,000</u>	<u>\$ 8,965,000</u>	<u>\$ (4,874,000)</u>

## Note:

Schedule prepared on the accrual basis of accounting

**CITY OF BRISTOL, CONNECTICUT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 749,000
Unreserved										27,323,000
Nonspendable	3,471	5,457		8,817	588	2,000	3,000	2,000	1,000	
Committed	3,107,495	3,085,523	3,093,837	3,064,919	3,057,414	3,856,000	3,835,000	3,848,000	4,975,000	
Assigned	7,336,712	6,367,646	7,884,336	4,345,929	2,053,023	1,113,000	2,112,000	1,617,000	2,008,000	
Unassigned	29,562,034	28,341,862	27,795,244	28,737,167	26,605,958	25,955,000	24,149,000	23,963,000	21,444,000	
<b>Total General Fund</b>	<b>\$ 40,009,712</b>	<b>\$ 37,800,488</b>	<b>\$ 38,773,417</b>	<b>\$ 36,156,832</b>	<b>\$ 31,716,983</b>	<b>\$ 30,926,000</b>	<b>\$ 30,099,000</b>	<b>\$ 29,430,000</b>	<b>\$ 28,428,000</b>	<b>\$ 28,072,000</b>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 15,611,000
Unreserved, reported in:										
Special revenue funds										8,726,000
Capital projects funds										(22,123,000)
Permanent funds										419,000
Nonspendable	1,097,254	1,031,409	971,523	923,563	866,420	834,000	766,000	690,000	540,000	
Restricted	6,242,426	6,606,917	6,038,897	5,549,614	6,008,399	5,301,000	3,068,000	4,004,000	3,339,000	
Committed	30,898,483	22,305,699	17,468,414	16,472,513	18,074,519	17,696,000	19,134,000	28,171,000	34,916,000	
Assigned	218,068	475,328	444,120	152,698	108,028	59,000		120,000	73,000	
Unassigned	(377)	(18,875,612)	(4,517,238)	(15,716,865)	(11,783,622)	(8,576,000)	(7,421,000)	(5,533,000)	(512,000)	
<b>Total all Other Governmental Funds</b>	<b>\$ 38,455,854</b>	<b>\$ 11,543,741</b>	<b>\$ 20,405,716</b>	<b>\$ 7,381,523</b>	<b>\$ 13,273,744</b>	<b>\$ 15,314,000</b>	<b>\$ 15,547,000</b>	<b>\$ 27,452,000</b>	<b>\$ 38,356,000</b>	<b>\$ 2,633,000</b>

Notes:

1. Schedule prepared on the modified accrual basis of accounting
2. The City began to report new fund categories when it implements GASB Statement No. 54 in fiscal year 2011

**CITY OF BRISTOL, CONNECTICUT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues:</b>										
Taxes and assessments	\$ 145,382,091	\$ 140,126,003	\$ 140,319,168	\$ 133,131,825	\$ 132,661,254	\$ 126,878,000	\$ 124,646,000	\$ 116,805,000	\$ 116,771,000	\$ 110,803,000
Interest and lien fees on delinquent taxes and assessments	960,640	897,504	1,138,474	920,530	953,500	904,000	1,024,000	750,000	927,000	1,073,000
Licenses, permit and fees	3,163,035	3,200,495	3,514,973	3,334,376	2,321,204	7,141,000	6,971,000	7,397,000	6,983,000	6,184,000
Intergovernmental	77,975,940	96,139,958	90,125,552	86,380,385	82,155,003	82,123,000	82,065,000	122,110,000	83,270,000	75,924,000
Charges for services	13,063,677	12,675,555	12,150,217	11,225,218	10,889,718	6,512,000	5,557,000	6,222,000	6,337,000	7,314,000
Income on investments	1,752,824	1,064,385	1,640,414	1,811,405	1,670,515	394,000	318,000	318,000	264,000	347,000
Miscellaneous	1,375,277	1,557,244	1,002,407	3,266,211	2,718,572	2,746,000	2,935,000	2,018,000	1,895,000	1,706,000
<b>Total revenues</b>	<b>243,673,484</b>	<b>255,661,144</b>	<b>249,891,205</b>	<b>240,069,950</b>	<b>233,369,766</b>	<b>226,698,000</b>	<b>223,516,000</b>	<b>255,620,000</b>	<b>216,447,000</b>	<b>203,351,000</b>
<b>Expenditures:</b>										
General government	8,041,655	7,995,194	8,439,181	7,766,024	6,898,392	6,952,000	7,192,000	7,119,000	6,820,000	7,294,000
Public safety	27,089,568	26,427,386	23,840,668	23,926,373	24,357,911	22,730,000	22,336,000	21,610,000	22,250,000	21,799,000
Public works	23,014,041	23,123,025	20,220,458	19,801,976	20,356,499	20,363,000	18,806,000	22,437,000	17,804,000	17,111,000
Health and welfare	7,559,459	7,580,466	7,181,226	8,078,721	7,997,968	6,516,000	6,037,000	6,099,000	6,095,000	5,488,000
Libraries	2,239,561	2,229,117	2,103,567	2,299,115	2,168,546	2,020,000	2,016,000	2,306,000	1,976,000	1,981,000
Parks and recreation	2,876,156	2,711,177	2,672,162	2,981,876	2,539,006	2,375,000	2,495,000	2,822,000	2,433,000	2,396,000
Education	123,898,791	139,117,475	128,956,258	120,645,180	118,488,322	114,144,000	107,414,000	111,168,000	106,565,000	106,740,000
Citywide:										
Employee benefits and pensions	3,924,782	4,468,966	4,283,364	3,631,894	3,107,573	3,719,000	3,349,000	3,898,000	4,393,000	2,637,000
Insurance	27,967,916	27,489,483	30,044,634	27,289,295	30,653,291	820,000	586,000	967,000	465,000	589,000
Miscellaneous	430,040	514,065	655,417	541,457	768,352	379,000	946,000	514,000	1,352,000	792,000
Capital outlay	7,752,760	15,828,191	23,510,905	18,507,685	8,324,692	7,569,000	27,462,000	55,434,000	19,760,000	10,521,000
Debt service:										
Principal retirement	6,813,883	6,671,856	6,488,840	6,511,853	6,472,551	6,556,000	6,645,000	4,545,000	4,575,000	4,570,000
Interest and fiscal charges	3,444,798	2,823,726	2,168,699	2,372,010	2,486,904	2,738,000	3,191,000	2,620,000	2,002,000	2,292,000
<b>Total expenditures</b>	<b>245,053,410</b>	<b>266,980,127</b>	<b>260,565,379</b>	<b>244,353,459</b>	<b>234,620,007</b>	<b>196,881,000</b>	<b>208,475,000</b>	<b>241,539,000</b>	<b>196,490,000</b>	<b>184,210,000</b>
Excess (deficiency) of revenue over expenditures	(1,379,926)	(11,318,983)	(10,674,174)	(4,283,509)	(1,250,241)	29,817,000	15,041,000	14,081,000	19,957,000	19,141,000
<b>Other financing sources (uses):</b>										
Transfers in	16,336,277	14,437,994	16,806,271	16,366,913	19,514,255	19,653,000	20,660,000	14,946,000	12,665,000	13,797,000
Transfers out	(16,336,277)	(14,437,994)	(16,806,271)	(16,366,913)	(19,514,255)	(48,876,000)	(46,937,000)	(39,124,000)	(37,217,000)	(37,620,000)
Issuance of capital leases										
General obligation bonds issued	30,400,000	1,284,772	25,283,007	2,724,099					39,587,000	
Refunding bonds issued		24,932,000		7,117,000				21,823,000		
Premium on bonds issued	101,263	3,480,639	1,031,945	488,252				2,932,000	1,096,000	
Payment to refunded bond escrow agent		(28,213,332)		(7,498,214)				(24,569,000)		
<b>Total other financing sources (uses)</b>	<b>30,501,263</b>	<b>1,484,079</b>	<b>26,314,952</b>	<b>2,831,137</b>	<b>-</b>	<b>(29,223,000)</b>	<b>(26,277,000)</b>	<b>(23,992,000)</b>	<b>16,131,000</b>	<b>(23,823,000)</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 29,121,337</b>	<b>\$ (9,834,904)</b>	<b>\$ 15,640,778</b>	<b>\$ (1,452,372)</b>	<b>\$ (1,250,241)</b>	<b>\$ 594,000</b>	<b>\$ (11,236,000)</b>	<b>\$ (9,911,000)</b>	<b>\$ 36,088,000</b>	<b>\$ (4,682,000)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.4%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>5.5%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>4.0%</b>

Note: Schedule prepared on the modified accrual basis of accounting

**CITY OF BRISTOL, CONNECTICUT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - UNAUDITED  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Less Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value (2)</b>
2019	\$ 2,545,213,929	\$ 519,456,395	\$ 212,901,660	\$ 555,798,710	\$ 389,033,511	\$ 274,505,156	\$ 3,947,899,049	38.05%	\$ 5,639,855,784	70%
2018	2,512,250,000	519,547,000	211,320,000	552,840,000	384,119,000	288,658,000	3,917,618,000	36.88%	5,596,597,000	70%
2017 (3)	2,536,960,000	499,284,000	217,415,000	564,534,000	386,173,000	292,906,000	3,911,460,000	36.03%	5,587,800,000	70%
2016	2,526,113,000	494,204,000	218,325,000	522,136,000	372,552,000	288,994,000	3,845,132,000	36.03%	5,493,045,000	70%
2015	2,520,182,000	492,698,000	218,310,000	528,973,000	373,950,000	312,023,000	3,822,090,000	34.61%	5,460,128,000	70%
2014	2,517,026,000	485,406,000	222,796,000	470,728,000	369,672,000	232,210,000	3,833,418,000	34.61%	5,479,591,000	70%
2013	2,508,327,000	475,097,000	223,871,000	432,801,000	363,427,000	226,673,000	3,776,850,000	33.50%	5,395,500,000	70%
2012 (3)	3,041,932,000	495,045,000	230,458,000	408,548,000	365,967,000	223,986,000	4,317,964,000	28.75%	6,168,720,000	70%
2011	3,038,627,000	486,786,000	230,731,000	387,052,000	342,385,000	211,187,000	4,274,394,000	27.24%	6,106,277,000	70%
2010	3,119,391,000	760,652,000	232,187,000	381,500,000	331,617,000	181,046,000	4,644,301,000	27.24%	6,250,208,000	70%

## Notes:

- (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 - UNAUDITED  
2016 AND 2007**

Taxpayer	October 1, 2017			October 1, 2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ESPN	\$ 218,205,850	1	5.57%	\$ 247,835,940	<u>1</u>	5.61%
Connecticut Light & Power	61,328,340	2	1.57%	29,412,070	3	0.67%
Covanta	33,993,170	3	0.87%	42,776,070	2	0.97%
Bristol Center LLC	33,513,690	4	0.86%	36,284,710		0.82%
Bristol Sports Dst	25,245,150	5	0.64%		6	
Federal Realty Investment Trust	22,658,300	6	0.58%	19,390,560		0.44%
Festival Fun Parks	21,571,610	7	0.55%	22,561,290	7	0.51%
Carpenter Realty	21,073,800	8	0.54%	25,082,350	5	0.57%
D'Amato Construction/Affiliated LLCs	18,621,913	9	0.48%			
Yankee Gas Service Co.	17,742,970	10	0.45%			
Theis Precision Steel				15,699,760	9	0.36%
Barnes Group				13,869,810	10	0.31%
Kalimian, Elias				16,664,200	8	0.38%
<b>Total</b>	<b>\$ 473,954,793</b>		<b>12.11%</b>	<b>\$ 469,576,760</b>		<b>10.64%</b>

October 1, 2017 Assessment

October 1, 2008 Assessment

Source: City of Bristol, Office of Tax Assessor

**CITY OF BRISTOL, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Rate in Mills	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Tax Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percentage of Levy
2019	36.88%	\$ 146,051,000	\$ 145,774,000	99.81%	\$	\$ 143,747,000	98.42%
2018	36.03%	140,596,000	138,673,000	98.63%	1,485,000	140,158,000	99.69%
2017	36.03%	140,245,000	138,734,000	98.92%	1,238,000	139,972,000	99.81%
2016	34.61%	133,581,000	131,820,000	98.68%	1,320,000	133,140,000	98.68%
2015	34.61%	133,926,000	131,874,000	98.47%	1,582,000	133,456,000	99.65%
2014	33.50%	127,580,000	125,620,000	98.46%	1,927,000	127,547,000	99.97%
2013	28.75%	125,055,000	123,492,000	98.75%	1,207,000	124,699,000	99.72%
2012	27.24%	117,108,000	115,629,000	98.74%	1,104,000	116,733,000	99.68%
2011	27.24%	116,860,000	115,256,000	98.63%	1,033,000	116,289,000	99.51%
2010	25.99%	110,770,000	108,912,000	98.32%	1,141,000	110,053,000	99.35%

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

**CITY OF BRISTOL, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE - UNAUDITED  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities</b> <b>General Obligation Bonds</b>	<b>Business-Type Activities</b> <b>Water</b>	<b>Total Primary Government</b>	<b>Ratio of Debt to Estimated Taxable Assessed Value</b>	<b>Debt Per Capita</b>	<b>Total Debt Outstanding as a Percentage of Personal Income</b>
2019	\$ 100,883,430	\$ 2,711,029	\$ 103,594,459	2.62%	\$ 1,720	0.03%
2018	77,879,840	2,541,439	80,421,279	2.05%	1,337	0.04%
2017	82,569,714	2,868,894	85,438,608	2.18%	1,413	0.04%
2016	63,161,855	3,408,163	66,570,018	1.73%	1,099	0.05%
2015	66,950,826	3,652,100	70,602,926	1.85%	1,165	0.04%
2014	73,745,000	4,142,000	77,887,000	1.93%	1,222	0.05%
2013	79,042,000	4,118,000	83,160,000	2.20%	1,340	0.04%
2012	85,838,000	4,723,000	90,561,000	2.10%	1,462	0.04%
2011	89,235,000	5,263,000	94,498,000	2.21%	1,551	0.04%
2010	54,225,000	5,000,000	59,225,000	1.39%	972	0.04%

Note: 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 - UNAUDITED**  
**June 30, 2019**

Total Fiscal Year 2018 tax collections (taxes, interest and fees) \$ \$140,996,000

**Base for Establishing Debt Limit** \$ 140,996,000

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>	<u>Total</u>
Debt Limitation:						
2 1/4 times base	\$ 317,241,000	\$	\$	\$	\$	\$ 317,241,000
4 1/2 times base		634,482,000				634,482,000
3 3/4 times base			528,735,000			528,735,000
3 1/4 times base				458,237,000		458,237,000
3 times base					422,988,000	422,988,000
Total debt limitation	<u>317,241,000</u>	<u>634,482,000</u>	<u>528,735,000</u>	<u>458,237,000</u>	<u>422,988,000</u>	<u>2,361,683,000</u>
Debt, as defined by Statute:						
Bonds and notes payable	57,177,096	25,754,904	12,124,112			95,056,112
Bonds authorized and unissued	39,163,173	141,075,282	11,595,922			191,834,377
State grant commitments	<u>(27,646,420)</u>	<u>(62,127,698)</u>	<u>(7,194,466)</u>			<u>(96,968,584)</u>
Total indebtedness	<u>68,693,849</u>	<u>104,702,488</u>	<u>16,525,568</u>	<u>-</u>	<u>-</u>	<u>189,921,905</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 248,547,151</u>	<u>\$ 529,779,512</u>	<u>\$ 512,209,432</u>	<u>\$ 458,237,000</u>	<u>\$ 422,988,000</u>	<u>\$ 2,171,761,095</u>

## Notes:

1. In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$986,972,000.

**CITY OF BRISTOL, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION - UNAUDITED  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limitation	\$ 986,972,000	\$ 990,010,000	\$ 990,017,000	\$ 938,448,000	\$ 935,963,000	\$ 894,341,000	\$ 879,487,000	\$ 822,668,000	\$ 823,725,000	\$ 782,901,000
Total net debt applicable to limit	<u>189,921,905</u>	<u>128,642,643</u>	<u>123,830,051</u>	<u>135,362,808</u>	<u>135,362,808</u>	<u>86,303,000</u>	<u>93,369,000</u>	<u>100,679,000</u>	<u>104,310,000</u>	<u>93,200,000</u>
Legal Debt Margin	<u>\$ 797,050,095</u>	<u>\$ 861,367,357</u>	<u>\$ 866,186,949</u>	<u>\$ 803,085,192</u>	<u>\$ 800,600,192</u>	<u>\$ 808,038,000</u>	<u>\$ 786,118,000</u>	<u>\$ 721,989,000</u>	<u>\$ 719,415,000</u>	<u>\$ 689,701,000</u>
Total net debt applicable to the limit as percentage of debt limit	<u>19.24%</u>	<u>12.99%</u>	<u>12.51%</u>	<u>14.42%</u>	<u>14.46%</u>	<u>9.65%</u>	<u>10.62%</u>	<u>12.24%</u>	<u>12.66%</u>	<u>11.90%</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 EMPLOYMENT STATISTICS - UNAUDITED  
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>
2019	60,223	\$ 30,555	40	8,368	4.4%	\$ 35,534
2018	60,147	30,555	40	8,336	4.6%	35,534
2017	60,452	30,555	40	8,136	5.2%	35,534
2016	60,570	30,555	40	8,353	5.7%	35,534
2015	60,586	30,555	40	8,052	6.5%	35,354
2014	60,603	30,555	40	8,228	7.3%	35,534
2013	60,603	30,555	40	8,366	8.4%	35,534
2012	60,510	30,555	40	8,365	8.9%	35,534
2011	60,092	30,555	40	8,508	9.5%	35,534
2010	60,927	30,555	40	8,699	10.2%	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

(5) Source: U.S. Census Bureau, 2000 Census

TABLE 12

**CITY OF BRISTOL, CONNECTICUT  
PRINCIPAL EMPLOYERS - UNAUDITED  
CURRENT AND TEN YEARS AGO**

Employer	Nature of Business	2019			2009		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ESPN	Sports Broadcasting	4,200	1	12.00%	3,400	1	10.30%
City of Bristol & Board of Education	Municipality	1,601	2	4.57%	1,689	2	5.12%
Bristol Health	Health Care	1,160	3	3.31%	1,400	3	4.24%
Faneuil, Inc	Call Center	350	4	1.00%			
Amazon	Distribution Center	350	5	1.00%			
Sheriden Woods Health Care Center	Health Care	200	6	0.57%	180	6	0.55%
IDEX Health & Science LLC	Health Care	175	7	0.50%	200	5	0.61%
Stop & Shop	Grocery Store	150	8	0.43%	350	8	1.06%
Quality Coils	Manufacturing	125	9	0.36%	170	7	0.52%
The Pines at Bristol	Health Care	115	10	0.33%			
Stephen AutoMall Centre	Retail				200	4	0.61%
Rowley Spring	Manufacturing				150	9	0.45%
Price Chopper	Grocery Store				100	10	0.30%
Total		<u>8,426</u>		<u>24.07%</u>	<u>7,839</u>		<u>23.76%</u>

Source: Bristol Development Authority

**CITY OF BRISTOL, CONNECTICUT  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM - UNAUDITED  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
General government	73	75	76	74	75	74	75	85	82	87
Police	145	143	144	144	146	140	134	134	138	150
Fire	88	88	87	88	88	88	88	89	90	93
Public Works	112	111	113	115	113	105	113	117	118	127
Parks and Recreation	21	21	22	21	22	19	21	21	21	23
Library	30	27	28	30	30	28	30	29	30	30
Education	1,095	1,075	1,066	1,061	1,090	1,065	1,061	1,065	1,121	1,110
Water Department	37	36	35	34	36	34	34	34	34	36
<b>Total</b>	<b>1,601</b>	<b>1,576</b>	<b>1,571</b>	<b>1,567</b>	<b>1,600</b>	<b>1,553</b>	<b>1,556</b>	<b>1,574</b>	<b>1,634</b>	<b>1,656</b>

Source: City of Bristol and Board of Education, Human Resources Offices

TABLE 14

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

Function/Program	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
Building permits issued	1,475	1,365	1,275	1,566	1,403	1,420	1,284	1,325	1,322	1,494
<b>Police</b>										
Physical arrests	1,865	2,108	2,252	2,228	2,345	2,389	2,539	2,638	2,655	2,920
Parking violations	3,176	1,718	2,445	2,391	1,556	1,969	2,478	3,443	1,695	3,103
Traffic violations	5,208	5,236	5,144	7,528	7,107	7,143	6,767	6,072	8,560	10,492
<b>Fire</b>										
Emergency responses	2,440	2,431	2,231	2,361	2,261	2,037	2,195	2,935	1,353	999
Fires extinguished	184	204	210	268	222	224	249	272	233	200
Inspections	1,315	908	1,285	1,237	1,246	884	877	998	1,255	1,978
<b>Refuse Collection</b>										
Refuse collected (tons per day)	71.90	64.32	67.76	62.03	62.87	62.86	65.20	73.61	67.24	69.17
Recyclables collected (tons per day)	16.79	15.54	18.28	15.56	18.36	16.98	16.64	16.11	13.35	13.48
<b>Other Public Works</b>										
Street resurfacing (miles)	8.5	12.8	5.4	16.50	14.30	12.50	10.20	8.20	7.50	5.50
Potholes repaired	465	320	775	750	850	800	750	750	830	920
<b>Parks and Recreation</b>										
Athletic field permits issued	1,795	1,798	1,457	1,832	1,739	1,696	1,522	1,591	1,246	1,050
<b>Library</b>										
Volumes in collection	226,807	233,075	230,435	227,372	232,082	213,151	214,288	215,250	209,150	200,600
Total volumes borrowed	305,334	252,435	258,848	275,736	313,755	311,116	311,714	327,807	331,043	344,386
<b>Water</b>										
New connections:										
Water main breaks	12	28	26	19	31	27	21	19	15	24
Average daily production (thousands of gallons)	5,060	5,200	4,873	5,117	5,270	5,020	5,118	5,219	5,455	5,261
Peak daily production (thousands of gallons)	7,847	7,695	7,680	8,498	7,754	7,006	7,731	8,841	9,720	7,474
<b>Wastewater</b>										
Average daily sewage treatment (millions of gallons daily)	11.33	8.22	6.83	5.80	7.10	8.90	8.10	9.30	8.50	8.60

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 ASSETS BY FUNCTION/PROGRAM - UNAUDITED  
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol units	30	30	30	30	30	30	30	30	30	30
Fire stations										
Fire stations	5	5	5	5	5	5	5	5	5	5
Refuse collection										
Collection trucks	25	22	22	25	27	27	25	30	30	30
Other Public Works										
Streets (miles)	235.0	235.0	235.0	235.0	235.0	235.0	235.0	232.0	232.0	232.0
Highways (miles)	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8
Streetlights	5,590	5,508	5,508	5,539	5,539	5,538	5,535	5,523	5,500	5,500
Traffic signals	24	24	24	24	24	24	24	24	24	24
Parks and Recreation										
Acreage	730	730	730	730	730	720	700	700	700	700
Playgrounds	7	7	8	8	8	8	8	8	8	8
Baseball/softball diamonds	23	23	23	23	15	15	12	10	10	10
Soccer/football fields	6	6	6	6	6	6	6	5	5	5
Water										
Water mains (miles)	314	314	313	313	313	313	313	313	313	313
Fire hydrants	1,614	1,612	1,608	1,608	1,601	1,611	1,596	1,596	1,591	1,591
Storage capacity (thousands of gallons)	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,281,105	1,280,105	1,280,105
Wastewater										
Sanitary sewers (miles)	245.10	245.10	245.10	245.10	243.40	243.40	242.90	242.90	238.70	238.70
Storm sewers (miles)	197.40	197.40	197.40	224.50	224.00	223.50	223.10	223.10	220.80	220.80
Treatment capacity (millions per day)	10.75	10.75	10.75	10.75	10.75	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