

**BOROUGH OF BRISTOL
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

Borough of Bristol
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2009

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1A-1B
Management Discussion and Analysis	2A-2G
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Statement of Revenues, Expenditures, and Charges in Fund Balances – Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	8
Statement of Net Assets – Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11
Statement of Fiduciary Net Assets – Fiduciary Funds	12
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	13
Notes to the Financial Statements	14-28
Required Supplementary Information:	
Schedule of Funding Progress – Public Safety Employees Retirement System	29
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	32
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Highway Aid Special Revenue Fund	33
Street Lighting Special Revenue Fund	34
Fire Protection and Rescue Squad Special Revenue Fund	35
Refuse Special Revenue Fund	36
Recreation Special Revenue Fund	37
Road Reconstruction Special Revenue Fund	38
Debt Service Fund	39
Investment Fund	40

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Borough Council
Borough of Bristol, Pennsylvania

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Bristol, Pennsylvania as of and for the year ended December 31, 2009, which collectively comprise the Borough's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Bristol's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Bristol, Pennsylvania as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on pages 33 through 40 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Management's discussion and analysis and the schedule's of funding progress for the Police and Employees' Pension Plans on pages 2A-2G and page 29 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Bristol's basic financial statements. The combining and individual nonmajor fund financial statements 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Hellmann and Company

August 25, 2010

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the financial statements of the Borough of Bristol for the calendar year ended December 31, 2009 has been prepared by the Borough's management. The information presented here should be read in conjunction with the Borough's financial statements immediately following this discussion and analysis.

Financial Highlights

- At the end of the current calendar year, the Borough's net assets were \$45,170,812 resulting from an excess of its assets over its liabilities. Of this amount, \$33,579,658 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Borough's property tax rate remained at 49.89 mills for calendar year 2009.
- The government's total net assets decreased by \$1,312,737.
- As of the close of the current fiscal year, the Borough of Bristol governmental funds reported combined ending fund balances of \$30,657,741, a decrease of \$1,817,324 in comparison with the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$702,060.

Overview of the Financial Statements

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

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

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

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

Fund financial statements. The fund financial statements provide detailed information about the Borough's most significant funds, not the Borough as a whole. Funds are an accounting tool for groupings of activities that enable the Borough to maintain control over resources that have been segregated for particular purposes or objectives. Some funds are required by state law. Other funds are established to control or manage resources designated for specific purpose. All of the funds of the Borough of Bristol can be divided into two categories: governmental funds and fiduciary funds.

- **Governmental funds.** The governmental funds are used to account for the financial activity of the Borough's basic services, similar to those described for the governmental activities in the government-wide financial statements. However, unlike the government-wide statements, which provide a long-term focus of the Borough, the fund financial statements focus on a short-term view of the inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the calendar year. The financial

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

information presented for the governmental fund is useful in evaluating the Borough's short-term financing requirements.

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

The Borough of Bristol maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, debt service funds(3), capital projects fund and investment fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

- **Required supplementary information.** Certain information regarding pension plan funding progress for the Borough, as well as budgeted and actual revenues and expenditures for the Borough's general fund and major special revenue funds

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

is presented in this section. This required supplementary information can be found immediately following the notes to the financial statements.

- **Other supplementary information.** Combining statements for non-major governmental fund and additional budgetary schedules for the Borough's non-major governmental funds is presented in this section. This supplementary information can be found immediately following the required supplementary information.

Government-wide Financial Analysis

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

By far the largest portion of the Borough of Bristol net assets (25 percent) reflects its investment in capital assets (e.g., land, buildings and systems, improvement other than buildings and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Borough of Bristol uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Borough of Bristol investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Borough of Bristol's net assets (1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$33,579,658) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's net assets decreased by \$1,312,737 during the current fiscal year. About one third of this decrease represents the degree to which increases in ongoing expenses have outstripped similar increases in ongoing revenues. Approximately another third is attributable to a decrease in investment earnings and market value of investments. The remainder of this decrease largely reflects decreases in receivables, permit fees and a decrease in various other revenues.

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities. Governmental activities decreased the Borough of Bristol's net assets by \$1,504,083. Key elements of this increase are located on the Statement of Net Assets spreadsheet.

- Property taxes decreased by \$91,178 during the year.
- Operating grants for governmental increased by \$45,569, mostly as a result of an aggressive grant application undertaken by the Borough of Bristol during the current fiscal year. The new grant awards furnished resources to support four of the Borough of Bristol's functions: general government, public safety, highways and streets, and public works.

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

Financial Analysis of The Government's Funds

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

As of the end of the current fiscal year, the Borough of Bristol's governmental funds reported combined ending fund balances of \$30,657,741, a decrease of \$1,817,324 in comparison with the prior year. The total amount constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion.

The general fund is the main operating fund of the Borough of Bristol. At the end of the current fiscal year, the fund balance of the general fund was \$702,060, while total fund balance equals to undesignated fund balance.

The fund balance of the Borough of Bristol's general fund increased by \$297,156 during the current fiscal year. Key factors in this growth are as follows:

- An increase in the property tax revenue increased by \$301,547.
- Intergovernmental revenues of the general fund increased by \$62,463, as a result of an increase in state shared revenues.

The debt service fund has a total fund balance of \$97,376, all of which is reserved for the payment of debt service.

BOROUGH OF BRISTOL MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Unrestricted net assets of the Water and Sewer Authority at the end of the year amounted to \$2,436,543. This represents an increase of \$725,458 over the prior year unrestricted assets of \$1,711,085. Other factors concerning the finances of this fund have already been addressed in the discussion of the Borough of Bristol's business-type activities.

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Capital Assets. The Borough's capital assets amounts to \$23,845,708, net of accumulated depreciation, at the end of the current calendar year. These capital assets include items such as buildings, improvements other than buildings, machinery, equipment, and vehicles. Capital assets increased by \$868,812 in 2009.

Long-term debt. At the end of the current fiscal year, the Borough of Bristol had total bonded debt outstanding of \$12,735,000. Of this amount, \$12,735,000 comprises debt backed by the full faith and credit of the government. All revenue bonds have been paid off as of December 31, 2009.

Economic Factors and Next Year's Budgets and Rates

The Borough of Bristol's population has basically remained the same from the 2008 census figure of 9,635. The Borough has remained primarily a residential and small business community. According to the 2008 Census, the Borough's household median is \$44,992.

In preparing the 2010 budget, payroll figures were based on union pay scales. In establishing the 2010 budget, historical trends and vendor inquires were used as the basis for services that are purchased. Real estate tax revenue were projected to stay the same, a continuation of the recent trend. Grant and fee income was evaluated on a program-by-program basis.

**BOROUGH OF BRISTOL
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Requests for information

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

BOROUGH OF BRISTOL
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$6,203,368	\$1,339,519	\$7,542,887
Investments at fair value	24,556,713		24,556,713
Interest receivable	121,506		121,506
Accounts receivable (net of allowance for uncollectibles)	240,321	2,251,628	2,491,949
Taxes receivable	173,972		173,972
Due from other funds			0
Inventories	5,000	6,368	11,368
Due from Recreation Authority		37,967	37,967
Prepaid items	43,880	4,648	48,528
Capital assets (net of accumulated depreciation)			
Land	5,833,141		5,833,141
Buildings and systems	12,932,390	2,497,661	15,430,051
Improvements other than buildings	2,034,947		2,034,947
Machinery and equipment	547,569		547,569
Total assets	52,692,807	6,137,791	58,830,598
LIABILITIES			
Accounts payable and other current liabilities	372,662	127,764	500,426
Compensated absences	174,154		174,154
Deferred revenue	41,286		41,286
Accrued interest payable	90,438		90,438
Noncurrent liabilities:			
Due within one year	330,000	11,903	341,903
Due in more than one year	12,253,114	258,465	12,511,579
Total liabilities	13,261,654	398,132	13,659,786
NET ASSETS			
Invested in capital assets, net of related debt	8,764,933	2,227,293	10,992,226
Restricted for:			
Highways and streets	256,196		256,196
Culture and recreation	36,106		36,106
Debt service	97,376		97,376
Unrestricted	30,276,542	3,512,366	33,788,908
Total net assets	\$39,431,153	\$5,739,659	\$45,170,812

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

BOROUGH OF BRISTOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government						
Governmental activities:						
General government	\$4,119,548	\$9,383	\$346,134	(\$3,764,031)		(\$3,764,031)
Public safety	3,077,444	531,195	63,263	(\$2,435,983)		(2,435,983)
Highways and streets	1,996,419		176,702	\$59,248		59,248
Public works	1,232,443	1,247,151	38,093	\$52,801		52,801
Culture and recreation	484,505			(\$484,505)		(484,505)
Interest on long-term debt	443,479			(\$443,479)		(443,479)
Total governmental activities	11,353,838	1,787,729	624,192	(\$7,015,949)	0	(7,015,949)
Business-type activities						
Sewer System	1,578,925	2,134,049			\$555,124	555,124
Water/Sewer Authority	125,757				(\$125,757)	(125,757)
Total business-type activities	1,704,682	2,134,049	0		429,367	429,367
Total primary government	<u>\$13,058,520</u>	<u>\$3,921,778</u>	<u>\$624,192</u>	<u>(7,015,949)</u>	<u>429,367</u>	<u>(6,586,582)</u>
General revenues:						
Property taxes				3,740,198		3,740,198
Real estate transfer taxes				121,199		121,199
Occupation taxes				22,117		22,117
Mechanical device and other taxes				47,090		47,090
Unrestricted investment earnings				1,016,604	5,928	1,022,532
Rent				186,820		186,820
Miscellaneous revenues				133,889		133,889
Net increase in fair market of investments					0	0
Transfers				243,949	(243,949)	0
Total general revenue and transfers				5,511,866	(238,021)	5,273,845
Change in net assets				(1,504,083)	191,346	(1,312,737)
Net assets-beginning				40,935,236	5,548,313	46,483,549
Net assets-ending				\$39,431,153	\$5,739,659	\$45,170,812

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

**BOROUGH OF BRISTOL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

Net change in fund balances-total governmental funds (page 6)	(\$1,817,324)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	82,236
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(65,287)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	376,875
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(80,583)</u>
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Change in net assets of governmental activities (page 4)	<u><u>(\$1,504,083)</u></u>
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The notes to the financial statements are an integral part of this statement.

**BOROUGH OF BRISTOL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Taxes	\$2,406,935	\$2,459,165	\$52,230
Licenses and permits	345,775	370,902	25,127
Fines	110,000	125,546	15,546
Intergovernmental	176,503	346,134	169,631
Investment earnings	20,000	3,964	(16,036)
Rents	112,500	186,820	74,320
Miscellaneous revenues	117,100	60,157	(56,943)
Total revenues	<u>3,288,813</u>	<u>3,552,688</u>	<u>263,875</u>
EXPENDITURES			
Current:			
General government:			
Finance and administration	451,823	450,756	1,067
Legal	60,000	73,954	(13,954)
Other - unclassified	688,300	596,876	91,424
Total general government	<u>1,200,123</u>	<u>1,121,586</u>	<u>78,537</u>
Public safety:			
Police	2,549,148	2,382,919	166,229
Fire	19,725	17,573	2,152
Inspection	94,000	53,618	40,382
Planning & Zoning	263,702	261,648	2,054
Health & welfare	1,500	3,043	(1,543)
Total public safety	<u>2,928,075</u>	<u>2,718,801</u>	<u>209,274</u>
Highways and streets:			
Highway department	618,600	610,493	8,107
Solid waste collection & disposal	2,000	1,790	210
Engineering	25,000	37,046	(12,046)
Total highways and streets	<u>645,600</u>	<u>649,329</u>	<u>(3,729)</u>
Capital outlay:			
General government	63,500	65,837	(2,337)
Public safety:			
Police	35,000	44,979	(9,979)
Total capital outlay	<u>98,500</u>	<u>110,816</u>	<u>(12,316)</u>
Total expenditures	<u>4,872,298</u>	<u>4,600,532</u>	<u>271,766</u>
Excess of revenues over expenditures	<u>(1,583,485)</u>	<u>(1,047,844)</u>	<u>535,641</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,330,000	1,345,000	15,000
Total other financing sources and uses	<u>1,330,000</u>	<u>1,345,000</u>	<u>15,000</u>
Net change in fund balances	(253,485)	297,156	550,641
Fund balances - beginning	290,623	404,904	114,281
Fund balances - ending	<u>\$37,138</u>	<u>\$702,060</u>	<u>\$664,922</u>

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

**BOROUGH OF BRISTOL
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009**

	Business-type Activities- Enterprise Funds		
	Sewer System Current Year	Water/Sewer Authority Current Year	Totals Current Year
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$1,339,519		\$1,339,519
Accounts receivable (net of allowance for uncollectibles)	2,251,628		2,251,628
Due from Recreation Authority	37,967		37,967
Due from Sewer Revenue Fund		209,250	209,250
Prepaid expense	4,648		4,648
Inventory of supplies	6,368		6,368
Total Current Assets	3,640,130	209,250	3,849,380
Capital assets:			
Buildings and system		6,642,421	6,642,421
Less accumulated depreciation		(4,144,760)	(4,144,760)
Total capital assets (net of accumulated depreciation)	0	2,497,661	2,497,661
Total noncurrent assets	0	2,497,661	2,497,661
Total assets	\$3,640,130	\$2,706,911	6,347,041
LIABILITIES			
Accounts payable	75,530		75,530
Accrued liabilities	52,234		52,234
Due to Water/Sewer Authority	209,250		209,250
Total current liabilities	337,014	0	337,014
Current liabilities payable from restricted assets:			
Revenue bonds and notes payable		11,903	11,903
Total current liabilities payable from restricted assets	0	11,903	11,903
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)			0
Notes payable, net of current portion		258,465	258,465
Total noncurrent liabilities	0	258,465	258,465
Total Liabilities	337,014	270,368	607,382
NET ASSETS			
Invested in capital assets, net of related debt		2,436,543	2,436,543
Restricted for debt service			0
Unrestricted	3,303,116		3,303,116
Total net assets	\$3,303,116	\$2,436,543	\$5,739,659

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

BOROUGH OF BRISTOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities- Enterprise Funds		
	Sewer System Current Year	Water/Sewer Authority Current Year	Totals
Operating revenues:			
Charges for sales and services:			
Sewer charges	\$1,416,520		\$1,416,520
Other services	43,949		43,949
State grant/loan reimbursements	666,603		666,603
Miscellaneous revenues	6,977		6,977
Total Operating revenues	2,134,049	0	2,134,049
Operating expenses:			
Salaries and wages	374,070		374,070
Operating supplies and expenses	307,522		307,522
Plant and equipment maintenance	253,470		253,470
Administrative expense	579,988	61,118	641,106
Depreciation expense		125,757	125,757
Total operating expenses	1,515,050	186,875	1,701,925
Operating income	618,999	(186,875)	432,124
Nonoperating revenues (expenses):			
Investment earnings	5,928		5,928
Interest expense	(2,757)		(2,757)
Total nonoperating revenue (expenses)	3,171	0	3,171
Income before contributions and transfers	622,170	(186,875)	435,295
Transfers in		912,333	912,333
Transfers out	(1,156,282)		(1,156,282)
Change in net assets	(534,112)	725,458	191,346
Total net assets-beginning	3,837,228	1,711,085	5,548,313
Total net assets-ending	\$3,303,116	\$2,436,543	\$5,739,659

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

**BOROUGH OF BRISTOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Business-type Activities-
Enterprise Funds**

	<u>Sewer System Current Year</u>	<u>Water/Sewer Authority Current Year</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$1,477,453		\$1,477,453
Payments to suppliers and system manager	(1,076,392)		(1,076,392)
Payments to employees	(374,070)		(374,070)
Miscellaneous	717,529	(61,118)	656,411
Net cash provided (used) by operating activities	<u>744,520</u>	<u>(61,118)</u>	<u>683,402</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds		912,333	912,333
Transfer to other funds	(1,156,282)		(1,156,282)
Advances from other funds	209,250	(209,250)	0
Net cash provided (used) by noncapital and related financing activities	<u>(947,032)</u>	<u>703,083</u>	<u>(243,949)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt		277,292	277,292
Purchases of capital assets		(912,333)	(912,333)
Principal paid on capital debt		(6,924)	(6,924)
Interest paid on capital debt	(2,757)		(2,757)
Net cash provided (used) by capital and related financing activities	<u>(2,757)</u>	<u>(641,965)</u>	<u>(644,722)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	5,928		5,928
Net cash provided (used) by investing activities	<u>5,928</u>	<u>-</u>	<u>5,928</u>
Net increase in cash and cash equivalents	(199,341)	-	(199,341)
Cash and cash equivalents, January 1	1,538,860		1,538,860
Cash and cash equivalents, December 31	<u>\$1,339,519</u>	<u>\$0</u>	<u>\$1,339,519</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	618,999	(\$186,875)	\$432,124
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense		125,757	125,757
(Increase) decrease in accounts receivable	60,933		60,933
(Increase) Decrease in prepaid expense	44,040		44,040
Increase (decrease) in accounts payable and accrued liabilities	20,548		20,548
Total adjustments	<u>125,521</u>	<u>125,757</u>	<u>251,278</u>
Net cash provided by operating activities	<u>\$744,520</u>	<u>(\$61,118)</u>	<u>\$683,402</u>
Noncash investing, capital, and financing activities:			
NONE			

**BOROUGH OF BRISTOL
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009**

	Employees' Pension Fund	Police Pension Fund
ASSETS		
Cash and Cash Equivalents	\$100,959	\$138,985
Accounts receivable-Non-Uniformed Plan		
Investments, at fair value:		
Corporate Bonds	114,403	111,884
Government Securities	28,604	13,202
Mutual funds/ETFS:		
Equity	914,852	1,185,594
Fixed income	729,834	1,203,238
International	397,490	269,385
Total investments	2,185,183	2,783,303
Total assets	2,286,142	2,922,288
LIABILITIES		
Accrued Investment Expense		
Pensions Payable		
Refund of Employee Contributions	36,980	-
Total Liabilities	36,980	-
NET ASSETS		
Held in trust for pension benefits and other purposes	\$2,249,162	\$2,922,288

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

BOROUGH OF BRISTOL
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Employees' Pension Fund</u>	<u>Police Pension Fund</u>
ADDITIONS		
Contributions:		
Employer	\$ 247,080	\$ 256,366
Plan Member	81,583	-
Total Contributions	<u>328,663</u>	<u>256,366</u>
Investment earnings:		
Interest and dividends	71,581	92,304
Net (decrease) increase in the fair value of investments	267,548	371,651
Total investment earnings	<u>339,129</u>	<u>463,955</u>
Less investment expense		
Net investment earnings	<u>339,129</u>	<u>463,955</u>
Total additions	<u>667,792</u>	<u>720,321</u>
DEDUCTIONS		
Benefits	369,298	181,446
Refund of Employee Contributions	1,422	25,918
Administrative expenses	3,645	8,623
Investment management expenses	8,100	10,173
Total deductions	<u>382,465</u>	<u>226,160</u>
Change in net assets	<u>285,327</u>	<u>494,161</u>
Net assets - beginning	1,963,835	2,428,127
Net assets - ending	<u>\$ 2,249,162</u>	<u>\$ 2,922,288</u>

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

BOROUGH OF BRISTOL
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

I. Summary of significant accounting policies

A. Reporting entity

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

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

The component units of the Borough consist of the Bristol Borough Water and Sewer Authority and the Bristol Borough Recreation Authority.

The Primary Governmental financial statements do not include the financial data of the Bristol Borough Recreation Authority. Financial data of the Water and Sewer Authority is available in our financial statement of the component unit dated May 12, 2010. It is also included in these financial statements as a blended component unit. The financial statements of the Recreation Authority as of June 30, 2009 are available and prepared by another auditor and are not included in these financial statements. The Recreation Authority provides the improving, maintaining, and operating recreation grounds and facilities in the Borough. The Authority presently operates an ice rink. On April 12, 2004 the Borough Council appointed Wachovia Bank as the investment bank for the Advance Refunding of the Bristol Borough Recreation Authority's debt that is guaranteed by the **Borough of Bristol, Pennsylvania**. The bonds are the obligation of the **Borough of Bristol, Pennsylvania**, and the bonds were available for delivery on or about July 7, 2004. In the note disclosures of the June 30, 2009 financial statements, the auditor states that the Authority's current liabilities exceeds its current assets, there have been recurring operating losses and an increase in borrowings to reduce cash shortages. Management anticipates that the operating losses and cash shortages will continue primarily because cash generated from operations is not sufficient to cover required capital debt service. Additionally, management has continued to operate the Authority as a going concern by raising prices, obtaining grants, decreasing expenses, arranging with creditors to delay the payment of accounts payable and renegotiation and restructuring of debt. Management believes that it will be able to continue to raise rates modestly and that the actions it has taken along with the resources provided by the **Borough of Bristol, Pennsylvania** will allow it to continue as a going concern.

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

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment

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

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

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

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

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

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

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

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

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following fund types:

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu-of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at December 31, 2009 and the reported revenues and expenses for the year then ended. Actual results could differ from those estimates.

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

2. Receivables and payables

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

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

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. There is no property tax receivable allowance at December 31, 2009 because all taxes will be collected within two years.

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

3. Prepaid items

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

4. Restricted assets

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

5. Capital assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50

System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

6. *Compensated absences*

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

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between fund balance- total governmental funds and net assets- governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$12,847,706 difference are as follows:

Bonds and notes payable	\$12,735,000
Less: Deferred charge for issuance and discount costs (to be amortized over life of debt)	(151,886)
Accrued interest payable	90,438
Compensated absences	<u>174,154</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$12,847,706</u>

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

government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and charges in fund balances includes a reconciliation between net changes in fund balances- total governmental funds and changes in net assets of governmental activities as reported in the government- wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$82,236 difference are as follows:

Capital outlay	\$699,089
Depreciation expense	<u>(616,853)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$82,236</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$376,875 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$0
Less discounts and issue costs	10,125
Principal repayments	<u>(387,000)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$(376,875)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds”. The details of this \$80,583 difference are as follows:

Compensated absences	\$(93,284)
Accrued interest	<u>12,701</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$(80,583)</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

The appropriated budget is prepared by fund, function, and department. The government’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments

require the approval of the Borough Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Borough Council made several budgetary appropriations throughout the year. The supplemental budgetary appropriations made in the general fund were not material.

Encumbrance accounting is employed in governmental funds. Any encumbrances (e.g., purchase orders, contracts) outstanding at yearend are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no outstanding encumbrances at year-end in 2009.

B. Excess of expenditures over appropriations

For the year ended December 31, 2009, expenditures exceeded appropriations in the following funds. These over-expenditures were funded by available fund balances in the case of the following funds:

	<u>Excess</u>
Street Lighting Fund	\$365,320
Road Reconstruction Fund	29,843
Recreation Fund	26,101
Debt Service Fund	57,609
Highway Aid Fund	464,386
Investment Fund	391,865

C. Deficit fund equity

None

IV. Detailed notes on all funds

A. Deposits and Investments

At year-end, the carrying amount of the Borough's deposits with financial institutions was \$7,782,833 and the bank balance was \$7,457,306, which was categorized as follows:

	<u>Carry Amount</u>	<u>Bank Balance</u>	<u>Financial Institution</u>
Insured (FDIC)	\$100,000	\$100,000	First Federal Bank
Collateralized (Pool)	4,751,165	4,425,450	First Federal Bank
Collateralized	2,677,810	2,677,810	PLGIT
Collateralized	12,080	12,268	Fidelity Savings & Loan
Collateralized	1,834	1,834	Wachovia Bank
Collateralized	239,944	239,944	Stifel Nicolaus & Co
Total Deposits	<u>\$7,782,833</u>	<u>\$7,457,306</u>	

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

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

Custodial credit risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. As of December 31, 2009, the Borough's deposits were not exposed to any custodial credit risk. All accounts are fully insured and collateralized.

The Police and Non-uniformed Pension Plans are held by Stifel Nicolaus & Co. The pension monies are invested in various mutual funds.

The Police and Non-uniformed Pension Plans and Investment fund are presented below with the level of risk assumed by the Borough at year end.

Investments as of December 31, 2009, are as follows:

<u>Investment Fund:</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
<u>Investment Type</u>					
U.S. Treasuries	\$14,806,875	206,664	\$14,600,211		
U.S. Agencies	9,749,838			\$115,306	\$9,634,533
Total	<u>\$24,556,713</u>	<u>\$206,664</u>	<u>\$14,600,211</u>	<u>\$115,306</u>	<u>\$9,634,533</u>

Police and Non-uniform Pension Funds:

<u>Investment Type</u>	<u>Fair Value</u>
Stock and Bond Mutual Funds	\$24,556,713
Total	<u>\$24,556,713</u>

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

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

Custodial Credit Risk-Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2009, the Borough's investments were not exposed to any custodial credit risk.

B. Receivables

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

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Investment Fund</u>	<u>Water & Sewer Enterprise Funds</u>	<u>Nonmajor and Other Fund</u>	<u>Total</u>
Receivables:							
Interest				\$121,506			\$121,506
Taxes	\$104,383		\$31,315			\$38,274	173,972
Accounts	2,648	\$42,000	84,876		\$2,251,628	110,797	2,491,949
Interfund Receivable							
Gross receivables	<u>107,031</u>	<u>42,000</u>	<u>116,191</u>	<u>121,506</u>	<u>2,251,628</u>	<u>149,071</u>	<u>2,787,427</u>
Less: Allowance for Uncollectibles							
Net total receivables	<u>\$107,031</u>	<u>\$42,000</u>	<u>\$116,191</u>	<u>\$121,506</u>	<u>\$2,251,628</u>	<u>\$149,071</u>	<u>\$2,787,427</u>

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

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

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

	<u>Unavailable</u>	<u>Unearned</u>
Unearned revenue received in year 2009	\$0	\$0
Delinquent property taxes receivable (general fund)	104,383	
Delinquent property taxes receivable (debt service fund)	31,315	
Delinquent property taxes receivable (special revenue fund)	38,274	
Delinquent sidewalk assessments receivable (d/s fund)	41,286	
Delinquent refuse charges receivable (refuse fund)	<u>99,099</u>	
Total deferred/unearned revenue for governmental funds	<u>\$314,357</u>	<u>\$0</u>

C. Capital assets

Capital asset activity for the year ended December 31, 2009 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Government Activities				
Capital assets, not being depreciated:				
Land	\$ 5,833,141			\$5,833,141
Total capital assets not being depreciated	<u>5,833,141</u>			<u>5,833,141</u>
Capital assets being depreciated:				
Buildings	16,303,556			16,303,556
Improvements other than building	1,881,793	480,471		2,362,264
Machinery, equipment, and vehicles	1,677,389	218,618		1,896,007
Infrastructure				
Total Capital assets being depreciated	<u>19,862,738</u>	<u>699,089</u>		<u>20,561,827</u>
Less accumulated depreciation for:				
Buildings	3,061,194	309,972		3,371,166
Improvements and other buildings	163,130	164,187		327,317
Machinery, equipment, and vehicles	1,205,744	142,694		1,348,438
Infrastructure				
Total accumulated depreciation	<u>4,430,068</u>	<u>616,853</u>		<u>5,046,921</u>
Total capital assets, being depreciated, net	<u>15,432,670</u>	<u>82,236</u>		<u>15,514,906</u>
Government activities capital assets, net	<u>\$21,265,811</u>	<u>\$82,236</u>		<u>\$21,348,047</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business - type activities				
Capital assets, not being depreciated:				
Land				
Total capital assets not being depreciated				
Capital assets, being depreciated:				
Buildings and systems	\$5,730,088	\$912,333		\$6,642,421
Improvements, machinery and equip				
Total capital assets being depreciated	<u>5,730,088</u>	<u>912,333</u>		<u>6,642,421</u>
Less accumulated depreciation for:				

Buildings and systems	4,019,003	125,757	4,144,760
Machinery and equipment			
Total accumulated depreciation	<u>4,019,003</u>	<u>125,757</u>	<u>4,144,760</u>
Total capital assets, being depreciated, net	1,711,085	786,576	2,497,661
Business - type activities capital assets, net	<u>\$1,711,085</u>	<u>\$786,576</u>	<u>\$2,497,661</u>

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

Governmental Activities:		
General government		\$199,247
Public safety		114,301
Highways and streets, including depreciation of general infrastructure assets		121,535
Culture and recreation		<u>181,770</u>
Total depreciation expense-governmental activities		<u>\$616,853</u>
Business-type activities:		
Water & sewer authority fund		<u>\$125,757</u>
Total depreciation expense-business-type activities		<u>\$125,757</u>

Construction commitments

None

D. Interfund receivables, payables, and transfers

Internal balances at December 31, 2009 consisted of the following:

Due to sewer system fund from:	
Recreation authority	<u>\$37,967</u>
Due to water/sewer authority from:	
Sewer system fund	<u>\$209,250</u>

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

Interfund transfers for the year ended December 31, 2009, consisted of the following:

Transfers to general fund from:	
Nonmajor governmental funds	\$273,000
Sewer System fund	150,000
Debt Service fund	15,000
Investment fund	<u>907,000</u>
Total transfers to general fund	<u>\$1,345,000</u>
Transfers to nonmajor governmental funds from:	
Capital Projects	<u>\$1,000,000</u>
Total transfers to nonmajor governmental funds	<u>\$1,000,000</u>

Transfers to capital reserve fund from:	
Water and Sewer fund	<u>\$93,949</u>
Total transfers to capital reserve fund	<u>\$93,949</u>

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

E. Long-term debt

General Obligation Bonds and Notes

The Borough issued general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental-type activities	Variable	\$12,735,000
Business-type activities	Variable	\$270,368

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

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 330,000	\$ 314,380	11,903	5,057
2011	340,000	303,325	12,600	5,424
2012	355,000	291,425	12,600	5,424
2013	370,000	278,290	12,600	5,424
2014	380,000	264,230	12,600	5,424
2015-2019	2,160,000	1,071,300	63,000	27,120
2020-2024	2,685,000	543,820	63,000	27,120
2025-2027	615,000	29,828	82,065	16,272
2028	<u>5,500,000</u>			
Total	<u>\$12,735,000</u>	<u>\$3,096,598</u>	<u>\$270,368</u>	<u>\$97,265</u>

Revenue Bonds

All revenue bonds have been paid off as of December 31, 2009.

Interest Rate Swap

In September 2005, the Borough entered into an interest rate agreement with a financial institution. Under the agreement, the Borough sold a swaption to the financial institution for the purpose of garnering upfront savings on a future contingent refunding of the existing Series of 2004 Bonds. In 2005 the Borough realized \$343,241 from the transaction. If the swaption is exercised it will put an interest rate swap in place and will cause the Borough to issue variable rate refunding bonds in 2009, which when coupled with the swap, will create synthetic fixed rate debt for the remaining life of the bonds. The Borough would receive 68% of 1 Month LIBOR plus 20 basis points to offset interest payments to variable rate bondholders. In return, the Borough would pay a fixed rate of 4.286% to the swap counterparty. The effective date of the interest rate swaption agreement was September 15, 2005 with a swaption exercise date of March 15, 2009, a swap effective date of September 15, 2009 and a swap maturity date of September 15, 2025. The fair value of the liability as of December 31, 2009 is as follows:

<u>Associated Bond Issue</u>	<u>Notional Amount Outstanding</u>	<u>Liability as of December 31, 2009</u>
General Obligation Bonds, Series of 2004	\$7,235,000	\$(102,998)

In order to protect the Borough from counterparty risk, the swap counterparty is required to post collateral to a third party if their credit rating falls below a rating of "A-" from S&P and "A3" from Moody's. As of December 31, 2009, the swap counterparty is rated in the double "A" category by both Moody's and S&P.

The Borough retains the right to terminate the swap agreement prior to maturity. If the fair market value of the swap is negative on the termination date, the Borough would be liable to the counterparty for a payment equal to the fair market value of the swap. On August 7, 2009 the Borough terminated transaction I, a swaption with Wachovia Bank, Capital Markets Group. Transaction II, an interest rate swap, has not been terminated and remains outstanding.

Advance Refunding

The Borough issued \$8,855,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,390,000 of general obligation bonds that were owed by the Bristol Borough Recreation Authority. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. Also, the above refunding bond proceeds were used to prepay the Recreation Authority guaranteed revenue notes in the amount of \$56,292 (2000 note) and \$741,635 (2003 note).

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$13,122,000	\$ 0	\$(387,000)	\$12,735,000	\$330,000
Less deferred amounts:					
For issuance discounts	<u>(162,011)</u>		<u>10,125</u>	<u>(151,886)</u>	
Compensated absences	<u>80,870</u>	<u>93,284</u>		<u>174,154</u>	
Governmental activity					
Long-term liabilities	<u>\$13,040,859</u>	<u>\$ 93,284</u>	<u>\$(376,875)</u>	<u>\$12,757,268</u>	<u>\$330,000</u>
Business-type activities:					
Bonds & Loans payable:					
Penn Works Loan	\$ 0	\$277,292	\$ 6,924	\$ 270,368	\$ 11,903
Revenue bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business-type activity					
Long-term liabilities	<u>\$ 0</u>	<u>\$277,292</u>	<u>\$ 6,924</u>	<u>\$ 270,368</u>	<u>\$ 11,903</u>

V. Other information

A. Risk Management

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

B. Related party transactions

A management agreement is in affect between the Bristol Borough Water and Sewer Authority and the Borough whereby the Borough manages the sewer system. The agreement is automatically renewed on a year to year basis.

C. Subsequent events

None

D. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amounts, if any, to be immaterial.

The Borough is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Borough's solicitor the resolution of these matters will not have a material adverse effect on the financial condition of the government.

E. Employee retirement systems and pension plans

Pension plans-primary government

The Borough maintains a single-employer pension plan that covers all of the Borough's full-time sworn police officers and a single-employer pension plan that covers all full-time employees other than police officers.

Police Pension Plan (PPP)

Plan description. The Borough administers the PPP, a single-employer defined benefit pension plan in which all full-time police of the Borough participate. PPP provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan is controlled by the provisions of Ordinance 899. Membership of the plan consisted of the following at January 1, 2009, the date of the latest actuarial valuation: Active employees, 15; retirees and beneficiaries currently receiving benefits, 7; terminated employees entitled to benefits but not yet receiving them, 1.

Summary of significant accounting policies-basis of accounting and valuation of investments. The financial statements of PPP are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended by Act 189. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the Borough's balance sheet date. Securities without an established market are reported at estimated fair value.

Funding policy. The contribution requirements of plan members and the Borough are established by Act 189. Plan members are required to contribute 0 percent of the annual covered salary. The Borough is required to contribute at an actuarially determined rate; the current rate is 20.66 percent of annual covered payroll.

Annual pension cost. For 2009, the Borough's annual pension cost of \$256,366 for PPP was equal to the Borough's required and actual contributions. The required contribution was determined as part of the January 1, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8 percent investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 5 percent per year, compounded annually, and (c) projected salary increases due to seniority

merit raises of 5 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five over period. PPP's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 13 years.

Investments That Represent Five Percent or More of Net Assets Available for Benefits

At December 31, 2009, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent (5%) or more of net assets available for benefits:

	Police	Employee
- Stadion Manages Port Class A.....	\$147,490	
- Delaware Valley Corp Fund Class A.....		\$127,973

Non-Uniformed Pension Plan (NUPP)

Plan Description. The Borough administers the NUPP, a single-employer, defined benefit pension plan in which all general and public safety employees of the Borough participate. NUPP provides retirement, disability, death benefits to plan members and their beneficiaries. The Borough has authorized the Borough Council to establish and amend all plan provisions. The plan is controlled by the provisions of Ordinance 957. Membership of the plan consisted of the following at January 1, 2009, the date of the latest actuarial evaluation: Active employees, 21; retirees and beneficiaries currently receiving benefits, 22.

Summary of significant accounting policies-basis of accounting and valuation of investments. The financial statements of NUPP are prepared using the accrual basis of accounting. The Borough's 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 terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the Borough's balance sheet date. Securities without an established market are reported at estimated fair value.

Funding Policy. The contribution requirements of the Borough are established and may be amended by the Borough Council. Plan members are required to contribute 6 percent of the annual covered salary. The Borough is required to contribute at an actuarially determined rate; the current rate is 19.4 percent of annual covered payroll.

Annual pension cost. For 2009, the Borough's annual pension cost of \$247,080 for NUPP was equal to the Borough's required and actual contributions. The required contribution was determined as part of the January 1, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8 percent investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 5 percent per year, compounded annually, and (c) projected salary increases due to seniority merit raises of 5 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five over period. NUPP's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 10 years.

F. Postemployment Healthcare Plan

Under the Pay-As-You-Go scenario, the Borough of Bristol continues to pay healthcare premiums/costs with no additional Borough contributions to pre-fund the post-retirement benefits. A lower discount rate of 4.0% is assumed since the Borough's general fund is the "funding source" and is expected to be conservatively invested. The lower the discount rate, the higher the liabilities. If the Borough continues to finance retiree healthcare benefits on a pay-as-you-go basis, the under-funded OPEB liability is projected to grow dramatically in future years.

- The GASB “Annual Required Contribution” for calendar year 2009 is \$95,232.
- The Borough of Bristol’s current “contribution” toward retiree costs (on an age-adjusted basis) is \$63,993.
- The Borough makes no additional contributions to a separate trust.
- As of December 31, 2009, the Borough’s net OPEB obligation (underfunding for the initial year) is \$31,239 and will increase by a comparable amount for all future years.

Opeb Actuarial Valuation Results
As of January 1, 2009
Pay-As-You-Go Funding Policy at 4.0%

	Police	Non-Uniformed	Total
Number of Participants Covered			
Active Participants	15	22	37
Retired Participants	<u>5</u>	<u>12</u>	<u>17</u>
Total Participants	20	34	54
Actuarial Present Value of Projected Benefits	\$1,126,969	\$108,231	\$1,235,200
Actuarial Accrued Liability (Entry Age Normal Actuarial Cost Method)	\$690,583	\$78,344	\$768,927
Actuarial Value of Assets	\$0	\$0	\$0
Unfunded Actuarial Accrued Liability	\$690,583	\$78,344	\$768,927
Annual Required Contribution of the Employer (ARC)			
Normal Cost	\$38,812	\$2,719	\$41,531
Amortization of UAAL	47,044	2,994	50,038
Interest	<u>3,434</u>	<u>229</u>	<u>3,663</u>
Total ARC (Annual OPEB Cost)	\$89,290	\$5,941	\$95,232
Pay-As-You-Go Employer Contribution for CY 2009	\$59,637	\$4,356	\$63,993
Additional Employer Contribution for CY 2009	<u>0</u>	<u>0</u>	<u>0</u>
Total Employer Contribution for CY 2009	\$59,637	\$4,356	\$63,993
Expected Net OPEB Obligation at 12/31/2009	\$29,653	\$1,585	\$31,239

Required Supplementary Information

**Police and Employees' Pension Plans
Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Covered Payroll [(b-a)/c]</u>
Police						
01/01/05	\$2,417,787	\$4,194,465	\$1,776,678	57.6	\$863,508	205.8%
01/01/07	2,951,374	4,195,096	1,243,722	70.4	1,015,056	122.5%
01/01/09	2,913,751	4,823,959	1,910,208	60.4	1,241,135	153.9%
Employee						
01/01/05	2,580,793	3,729,546	1,148,753	69.2	966,878	118.8%
01/01/07	2,657,492	4,157,803	1,500,311	63.9	1,150,224	130.4%
01/01/09	2,356,602	4,359,111	2,002,509	54.1	1,268,851	157.8%

Three-Year Trend Information for Pension Plans

<u>Fiscal Year Ending</u>	<u>Annual Pension Percentage of APC</u>		
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Net Pension Obligation</u>
Police			
12/31/07	\$284,944	100%	\$0
12/31/08	245,512	100%	\$0
12/31/09	256,366	100%	\$0
Employee			
12/31/07	176,767	100%	\$0
12/31/08	243,555	100%	\$0
12/31/09	247,080	100%	\$0

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Street Lighting Fund - This fund is used to account for revenue derived from a 4.10 mill real estate tax levy. Major expenditures include the cost of electricity and maintenance of the highway and streetlights located in the Borough, and the debt service payments associated with the purchase of the street light system from the Philadelphia Electric Company in 1988.

Fire Protection and Rescue Squad Fund - This fund is used to account for revenue derived from a 2.00 mill real estate tax levy in accordance with the agreement between the Borough and local fire and rescue squad companies.

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

Recreation Fund - This fund is used to account for the revenue derived from a 2.92 mill real estate tax levy that is restricted to the development of programs that are recreational in nature-such as maintenance of Borough parks, Community Youth Association, the Senior Citizens' Association, Borough committees, parades and civic events.

Road Reconstruction Fund - This fund is used to account for revenue derived from a 1.25 mill real estate tax levy that is funding the road maintenance program.

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

Swap Fund - This fund is used to account for revenue generated from debt refinancing of 2004 general obligation bonds.

Construction Permit Fund - This fund is used to account for revenue generated from permits for building projects related to renovations of the new school.

Spurline Grant Fund - This fund is used to account for revenue generated from state grants for general government highway and street purposes.

Technology Grant Fund - This fund is used to account for revenue generated from grants for general government safety purposes.

BOROUGH OF BRISTOL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Special Revenue										Total NonMajor Governmental Funds		
	Highway Aid	Road Reconstruction	Street Lighting	Refuse	Recreation	Fire Protection and Rescue Squad	Private	Swap	Construction Permit	Grants		Technology Grant I	Technology Grant II
ASSETS													
Cash and Cash Equivalents	\$23,977	\$232,219	\$214,957	\$246,700	\$25,239	\$25,091	\$1,147,967	\$1,834	\$14,055	\$6,582	\$651	\$1,939,272	
Investments at fair market value												0	
Accounts receivable				99,099	11,698							110,797	
Prepaid expense												0	
Taxes receivable		8,699	12,178	\$345,799	10,438	6,959						38,274	
Total assets	\$23,977	\$240,918	\$227,135	\$345,799	\$47,375	\$32,050	\$1,147,967	\$1,834	\$14,055	\$0	\$651	\$2,088,343	
LIABILITIES													
Accounts payable			31,614	44,688	400	12,653	500				651	90,506	
Deferred revenue		8,699	12,178	99,099	10,438	6,959	55,060					137,373	
Escrow												55,060	
Salaries and benefits payable					431							431	
Due to General fund												0	
Total liabilities	0	8,699	43,792	143,787	11,269	19,612	55,560	0	0	0	651	283,370	
FUND BALANCES													
Unreserved, Undesignated	23,977	232,219	183,343	202,012	36,106	12,438	1,092,407	1,834	14,055	0	0	1,804,973	
Total fund balances	23,977	232,219	183,343	202,012	36,106	12,438	1,092,407	1,834	14,055	0	0	1,804,973	
Total liabilities and fund balances	\$23,977	\$240,918	\$227,135	\$345,799	\$47,375	\$32,050	\$1,147,967	\$1,834	\$14,055	\$0	\$651	\$2,088,343	

BOROUGH OF BRISTOL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue											Total Nonmajor Governmental Funds	
	Highway Aid	Road Reconstruction	Street Lighting	Refuse	Recreation	Fire Protection and Rescue Squad	Private	Swap	Construction Permit	Grants	Technology Grant I		Technology Grant II
REVENUES													
Property taxes		\$180,280	\$257,991		\$250,138	\$152,270							\$840,679
Motor fuel tax	\$176,702		558,393	38,093		63,263	1,353			6,582	34,118		1,767,020
Intergovernmental				1,250,319									706,752
Charges for services					362	140	649	457					2,250,319
Investment earnings	2,191	1,395											5,194
Miscellaneous		66,097	1,688	832	26,370	2,000	2,000						98,987
Total revenues	178,893	247,772	818,072	1,289,244	278,870	215,673	4,002	457	0	6,582	34,118		3,078,633
EXPENDITURES													
Current:													
General Government		900	8,463	1,216,693	12,651	18,525	26,978	360,208	100,000		33,437		1,792,280
Highways and streets	473,717	29,843	624,757										1,128,417
Public safety						199,363							199,363
Culture and recreation					244,400								244,400
Capital outlay:													
General Government	65,849			58,842									124,691
Highways and streets													0
Culture and recreation													0
Total expenditures	539,596	30,843	633,220	1,275,535	257,051	217,888	26,978	360,208	100,000	0	33,437		3,479,151
Excess (deficiency) of revenues over (under) expenditures	(360,673)	216,929	184,852	13,709	21,819	(2,215)	(22,976)	(359,751)	(100,000)	6,582	681		(400,519)
OTHER FINANCING SOURCES (USES)													
Transfers out:													
General fund	(40,000)	(143,000)	(15,000)	(50,000)	(25,000)		1,000,000						1,000,000
Total other financing sources and (uses)	(40,000)	(143,000)	(15,000)	(50,000)	(25,000)		1,000,000	0	0	0	0		(273,000)
Net change in fund balances	(400,673)	73,929	169,852	(36,291)	(3,181)	(2,215)	977,024	(359,751)	(100,000)	6,582	681		326,482
Fund balances - beginning	424,650	158,290	13,491	238,303	39,287	14,653	115,383	361,585	114,055	0	(681)		1,478,491
Fund balances - ending	\$23,977	\$232,219	\$183,343	\$202,012	\$36,106	\$12,438	\$1,092,407	\$1,834	\$14,055	\$6,582	\$0		\$1,804,973

Borough of Bristol
Highway Aid Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Intergovernmental	\$177,078	\$176,702	(\$376)
Investment earnings	4,000	2,191	(1,809)
Miscellaneous revenue	0	0	0
Total revenues	<u>181,078</u>	<u>178,893</u>	<u>(2,185)</u>
EXPENDITURES			
Current:			
Highways and streets:			
Road Program	0	473,717	(473,717)
Miscellaneous	180	0	180
Capital outlay:			
Highway equipment	75,000	65,849	9,151
Total Expenditures	<u>75,180</u>	<u>539,566</u>	<u>(464,386)</u>
Excess of revenues over expenditures	<u>105,898</u>	<u>(360,673)</u>	<u>(466,571)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(40,000)	(40,000)	0
Total other financing sources and uses	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
Net change in fund balances	65,898	(400,673)	(466,571)
Fund balances - beginning	273,886	424,650	150,764
Fund balances - ending	<u>\$339,784</u>	<u>\$23,977</u>	<u>(\$315,807)</u>

Borough of Bristol
Street Lighting Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$256,750	\$257,991	\$1,241
Intergovernmental	0	558,393	558,393
Miscellaneous revenue	0	1,688	1,688
Total revenues	<u>256,750</u>	<u>818,072</u>	<u>561,322</u>
EXPENDITURES			
Current:			
Highways and streets	260,000	624,757	(364,757)
Administration	7,900	8,463	(563)
Total Expenditures	<u>267,900</u>	<u>633,220</u>	<u>(365,320)</u>
Excess of revenues over expenditures	<u>(11,150)</u>	<u>184,852</u>	<u>196,002</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(15,000)	(15,000)	0
Total other financing sources and uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
Net change in fund balances	(26,150)	169,852	196,002
Fund balances - beginning	125,663	13,491	(112,172)
Fund balances - ending	<u>\$99,513</u>	<u>\$183,343</u>	<u>\$83,830</u>

Borough of Bristol
Fire Protection and Rescue Squad Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
REVENUES			
Property taxes	\$150,010	\$152,270	\$2,260
Intergovernmental	66,242	63,263	(2,979)
Investment earnings	325	140	(185)
Total revenues	<u>216,577</u>	<u>215,673</u>	<u>(904)</u>
EXPENDITURES			
Current:			
Administration	1,525	0	1,525
Public safety	202,342	199,363	2,979
Miscellaneous	17,125	18,525	(1,400)
Total Expenditures	<u>220,992</u>	<u>217,888</u>	<u>3,104</u>
Excess of revenues over expenditures	<u>(4,415)</u>	<u>(2,215)</u>	<u>2,200</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	0	0	0
Total other financing sources and uses	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	(4,415)	(2,215)	2,200
Fund balances - beginning	10,401	14,653	4,252
Fund balances - ending	<u>\$5,986</u>	<u>\$12,438</u>	<u>\$6,452</u>

Borough of Bristol
Refuse Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		Variance with
	<u>Original and Final</u>	<u>Actual Amounts</u>	Final Budget- Positive (Negative)
REVENUES			
Charges for services	\$1,129,251	\$1,250,319	\$121,068
Intergovernmental	52,138	38,093	(14,045)
Miscellaneous revenue	500	832	332
Total revenues	<u>1,181,889</u>	<u>1,289,244</u>	<u>107,355</u>
EXPENDITURES			
Current:			
Sanitation	1,252,717	1,252,836	(119)
Administration	5,100	5,100	0
Miscellaneous	24,350	17,599	6,751
Total Expenditures	<u>1,282,167</u>	<u>1,275,535</u>	<u>6,632</u>
Excess of revenues over expenditures	<u>(100,278)</u>	<u>13,709</u>	<u>113,987</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(25,000)	(50,000)	(25,000)
Total other financing sources and uses	<u>(25,000)</u>	<u>(50,000)</u>	<u>(25,000)</u>
Net change in fund balances	(125,278)	(36,291)	88,987
Fund balances - beginning	<u>135,533</u>	<u>238,303</u>	<u>102,770</u>
Fund balances - ending	<u>\$10,255</u>	<u>\$202,012</u>	<u>\$191,757</u>

Borough of Bristol
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$250,700	\$250,138	(\$562)
Investment earnings	1,000	362	(638)
Miscellaneous revenue	14,800	28,370	13,570
Total revenues	<u>266,500</u>	<u>278,870</u>	<u>12,370</u>
EXPENDITURES			
Current:			
Program expense	49,100	53,156	(4,056)
Maintenance	137,500	150,495	(12,995)
Miscellaneous	44,350	53,400	(9,050)
Total Expenditures	<u>230,950</u>	<u>257,051</u>	<u>(26,101)</u>
Excess of revenues over expenditures	<u>35,550</u>	<u>21,819</u>	<u>(13,731)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(25,000)	(25,000)	0
Total other financing sources and uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Net change in fund balances	10,550	(3,181)	(13,731)
Fund balances-beginning	9,632	39,287	29,655
Fund balances-ending	<u>\$20,182</u>	<u>\$36,106</u>	<u>\$15,924</u>

Borough of Bristol
Road Reconstruction Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Property taxes	\$179,760	\$180,280	\$520
Special assessments	0	0	0
Investment earnings	1,000	1,395	395
Miscellaneous revenue	0	66,097	66,097
Total revenues	<u>180,760</u>	<u>247,772</u>	<u>915</u>
EXPENDITURES			
Administration	900	900	0
Miscellaneous	100	29,943	(29,843)
Capital outlay:			
Highways and streets	0	0	0
Total expenditures	<u>1,000</u>	<u>30,843</u>	<u>(29,843)</u>
Excess of revenues over expenditures	<u>179,760</u>	<u>216,929</u>	<u>(28,928)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(143,000)	(143,000)	0
Total other financing sources and uses	<u>(143,000)</u>	<u>(143,000)</u>	<u>0</u>
Net change in fund balances	36,760	73,929	(28,928)
Fund balances - beginning	142,522	158,290	15,768
Fund balances - ending	<u>\$179,282</u>	<u>\$232,219</u>	<u>(\$13,160)</u>

Borough of Bristol
Debt Service Fund
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual
For the Year ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUES			
Property taxes	\$674,360	692,879	\$18,519
Investment earnings	4,500	1,125	(3,375)
Miscellaneous revenue	0	9,383	9,383
Total revenues	<u>678,860</u>	<u>703,387</u>	<u>24,527</u>
EXPENDITURES			
Debt service:			
Administration	9,500	8,612	888
Principal	320,000	320,000	0
Interest	327,180	385,677	(58,497)
Total Expenditures	<u>656,680</u>	<u>714,289</u>	<u>(57,609)</u>
Excess of revenues over expenditures	<u>22,180</u>	<u>(10,902)</u>	<u>(33,082)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	0	0	0
Transfers out	(15,000)	(15,000)	0
Total other financing sources and uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
Net change in fund balances	7,180	(25,902)	(33,082)
Fund balances - beginning	50,840	123,278	72,438
Fund balances - ending	<u>\$58,020</u>	<u>\$97,376</u>	<u>\$39,356</u>

**Borough of Bristol
Investment Fund
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual
For the Year ended December 31, 2009**

	<u>Budgeted Amounts</u>		Variance with Final Budget- Positive (Negative)
	<u>Original and Final</u>	<u>Actual Amounts</u>	
REVENUES			
Investment earnings	\$959,000	923,649	(\$35,351)
Net increase in fair value of investments	0	0	0
Total revenues	<u>959,000</u>	<u>923,649</u>	<u>(35,351)</u>
EXPENDITURES			
Current:			
Net decrease in fair market of investments	0	431,195	(431,195)
Custodial fees	52,000	12,670	39,330
Total Expenditures	<u>52,000</u>	<u>443,865</u>	<u>(391,865)</u>
Excess of revenues over expenditures	<u>907,000</u>	<u>479,784</u>	<u>(427,216)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(907,000)	(907,000)	0
Total other financing sources and uses	<u>(907,000)</u>	<u>(907,000)</u>	<u>0</u>
Net change in fund balances	0	(427,216)	(427,216)
Fund balances - beginning	24,448,219	25,568,525	1,120,306
Fund balances - ending	<u>\$24,448,219</u>	<u>\$25,141,309</u>	<u>\$693,090</u>