

TOWN OF BRISTOL, VERMONT

AUDIT REPORT

JUNE 30, 2012

TOWN OF BRISTOL, VERMONT
AUDIT REPORT
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Independent Auditor's Report

Selectboard
Town of Bristol
P.O. Box 249
Bristol, Vermont 05443

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 Town of Bristol, Vermont as of and for the year ended June 30, 2012, which collectively comprise the Town of Bristol, Vermont's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Bristol, Vermont's management. Our responsibility is to express opinions on these financial statements based on our audit.

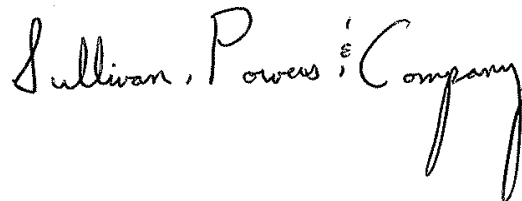
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Town of Bristol, Vermont as of June 30, 2012 and the respective changes in its financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Police Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with "Government Auditing Standards", we have also issued our report dated April 10, 2013 on our consideration of the Town of Bristol, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

April 10, 2013
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in cursive script that reads "Sullivan, Powers & Company". The signature is written in black ink and is positioned to the right of the typed address information.

Management's Discussion and Analysis

As management of the Town of Bristol, Vermont, we offer readers of the Town's financial statements this narrative overview and analysis of its financial activities for the fiscal year end June 30, 2012. We encourage readers to consider the information presented here in conjunction with the audited report.

Financial Highlights

The Town of Bristol continues to operate with a positive fund balance of \$136,952 in the General Fund as of June 30, 2012.

Government-wide Highlights

The Town's assets exceeded its liabilities at June 30, 2012 by \$4,316,270 compared to \$3,857,953 at June 30, 2011. This represents an increase of \$458,317.

Fund Highlights

At the end of the fiscal year, the Town's governmental funds reported a combined ending fund balance of \$1,220,802, an increase of \$311,798 over the prior year. Of the total fund balance \$622,553 represents amounts restricted for specific purposes, such as, but not limited to, the Revolving Loan fund, Howden Hall fund and police expenditures.

Long-term Debt

The Town's total debt decreased \$106,947 during the fiscal year and had a total ending balance of \$2,637,760. During FY 2012 the Town did not issue any new debt, but did refinance a USDA loan for the sewer and water fund at a lower interest rate.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Town of Bristol's financial statement which is comprised of three components: 1) government-wide financial statements, 2) fund-financial statements and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Bristol's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Town of Bristol's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net assets and the statement of activities distinguish functions of the Town of Bristol that are principally supported by taxes and governmental activities that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Bristol include general government, public safety, public works, recreation and parks. The business-type activities of the Town of Bristol include the Water Department, Sewer Department and Landfill. The government-wide financial statements can be found on pages 8 and 9 of the June 30, 2012 audit also listed as exhibits A & B.

Statement of Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
Assets:						
Current and Other Assets	\$ 1,553,787	\$ 1,426,958	\$ 690,941	\$ 678,685	\$ 2,244,728	\$ 2,105,643
Capital Assets	<u>3,609,057</u>	<u>3,300,172</u>	<u>1,913,149</u>	<u>1,963,346</u>	<u>5,522,206</u>	<u>5,263,518</u>
Total Assets	<u>5,162,844</u>	<u>4,727,130</u>	<u>2,604,090</u>	<u>2,642,031</u>	<u>7,766,934</u>	<u>7,369,161</u>
Liabilities:						
Current Liabilities	113,221	118,484	8,466	1,494	121,687	119,978
Long-Term Liabilities	<u>1,535,638</u>	<u>1,607,013</u>	<u>1,793,339</u>	<u>1,784,217</u>	<u>3,328,977</u>	<u>3,391,230</u>
Total Liabilities	<u>1,648,859</u>	<u>1,725,497</u>	<u>1,801,805</u>	<u>1,785,711</u>	<u>3,450,664</u>	<u>3,511,208</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	2,108,073	1,719,188	776,373	799,623	2,884,446	2,518,811
Restricted	810,553	761,868	0	0	810,553	761,868
Unrestricted	<u>595,359</u>	<u>520,577</u>	<u>25,912</u>	<u>56,697</u>	<u>621,271</u>	<u>577,274</u>
Total Net Assets	<u>\$ 3,513,985</u>	<u>\$ 3,001,633</u>	<u>\$ 802,285</u>	<u>\$ 856,320</u>	<u>\$ 4,316,270</u>	<u>\$ 3,857,953</u>

Statement of Activities

	Governmental		Business-Type		Total	
	Activities		Activities			
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
REVENUES						
Charges for Service	\$ 223,310	\$ 199,157	\$ 418,467	\$ 444,624	\$ 641,777	\$ 643,781
Operating Grants and Contributions	309,524	167,676	0	0	309,524	167,676
Capital Grants and Contributions	259,185	620,985	0	0	259,185	620,985
Property Taxes	1,929,824	1,841,136	0	0	1,929,824	1,841,136
Penalty and Interest on Delinquent Taxes	18,620	35,006	0	0	18,620	35,006
Payment in Lieu of Taxes	899	899	0	0	899	899
General State Grants	110,515	98,839	0	0	110,515	98,839
Unrestricted Investment Earnings	2,346	5,052	3,543	879	5,889	5,931
Insurance Proceeds	29,398	0	0	0	29,398	0
Other Revenues	16,986	20,688	0	0	16,986	20,688
Gain on Sale of Capital Assets	29,034	13,760	0	0	29,034	13,760
Total Revenues	2,929,641	3,003,198	422,010	445,503	3,351,651	3,448,701
EXPENDITURES						
General Government	959,889	667,757	0	0	959,889	667,757
Public Safety	537,728	488,958	0	0	537,728	488,958
Public Works	648,389	796,641	0	0	648,389	796,641
Community Development	0	0	0	0	0	0
Culture and Recreation	243,985	271,074	0	0	243,985	271,074
Interest on Long-Term Debt	27,298	11,181	0	47,269	27,298	58,450
Water	0	0	297,366	186,049	297,366	186,049
Sewer	0	0	42,616	35,225	42,616	35,225
Landfill	0	0	136,063	191,585	136,063	191,585
Loss on Disposal of Capital Assets	0	3,261	0	0	0	3,261
Total Expenditures	2,417,289	2,238,872	476,045	460,128	2,893,334	2,699,000
Transfers	0	(23,178)	0	23,178	0	0
Changes in Net Assets	512,352	741,148	(54,035)	8,553	458,317	749,701
Net Assets - Beginning of Year	3,001,633	2,260,485	856,320	847,767	3,857,953	3,108,252
Net Assets - End of Year	\$ 3,513,985	\$ 3,001,633	\$ 802,285	\$ 856,320	\$ 4,316,270	\$ 3,857,953

Fund Financial Statements

The fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities and objectives. The Town of Bristol, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements, as determined by the Governmental Accounting Standards Board (GASB). All of the funds of the Town of Bristol can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

The basic services provided by the Town are reported in the governmental funds. These statements provide a detailed, short-term view of the functions reported as governmental activities in the government-wide financial statements. The government-wide financial statements are reported using the full accrual basis of accounting, but the governmental fund financial statements are reported using the modified accrual basis of accounting. This allows the reader to focus on assets that can be readily converted to cash and determine whether there are adequate resources to meet the Town's current needs.

The Town reports 55 individual governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Police Fund, Capital Equipment Fund, Capital Building Fund, Capital Roads Fund, 2011 Flood Fund and Revolving Loan Fund, which are all considered major funds. Data from the other 48 governmental funds are combined into a single column on the fund statements. Individual fund balances for these non-major governmental funds is provided on pages 45 through 47.

Proprietary Funds

The Town maintains one type of proprietary fund and that is an enterprise fund. Enterprise funds are used to report business-type activities in the government-wide financial statements. The Town of Bristol uses Enterprise funds to account for its Water Fund, Sewer Fund and Landfill Fund.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The Proprietary fund financial statements provide separate information for the Water Fund, Sewer Fund and Landfill Fund, each of which are considered to be major funds of the Town of Bristol.

FINANCIAL ANALYSIS

Governmental Activities

The Town of Bristol's net assets in the Governmental Activities increased by \$512,352 during the current fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Bristol uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements such as GASB standards.

Proprietary Funds

The Town of Bristol's proprietary funds provide the same type of information found in the government-wide financial statements. Net assets of the Water Fund were 512,146, \$292,054 for the Sewer Fund and a deficit of \$1,915 for the Landfill fund. The Landfill's estimated closure and post closure costs are explained on page 49. The current estimated costs of closure and post closure are \$1,276,000.

Contacting the Town Finance Department

This financial report is designed to provide a general overview of the Town finances and demonstrate the Town commitment to public accountability. If you have questions about this report, or would like to request additional information, contact the Town Treasurer's Office at P.O. Box 249, Bristol, Vt. 05443.

TOWN OF BRISTOL, VERMONT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,010,271	\$ 126,423	\$ 1,136,694
Investments	332,427	401,244	733,671
Receivables	92,483	59,357	151,840
Loans Receivable	195,847	0	195,847
Prepaid Expenses	26,676	0	26,676
Internal Balances	(103,917)	103,917	0
Capital Assets			
Land	93,400	0	93,400
Other Capital Assets (Net of Accumulated Depreciation)	3,515,657	1,913,149	5,428,806
Total Assets	<u>5,162,844</u>	<u>2,604,090</u>	<u>7,766,934</u>
<u>LIABILITIES</u>			
Accounts Payable	99,274	0	99,274
Deferred Revenue	11,711	0	11,711
Accrued Interest Payable	2,236	8,466	10,702
Noncurrent Liabilities:			
Due within One Year	105,021	54,611	159,632
Due in More than One Year	1,430,617	1,738,728	3,169,345
Total Liabilities	<u>1,648,859</u>	<u>1,801,805</u>	<u>3,450,664</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	2,108,073	776,373	2,884,446
Restricted	810,553	0	810,553
Unrestricted	595,359	25,912	621,271
Total Net Assets	<u>\$ 3,513,985</u>	<u>\$ 802,285</u>	<u>\$ 4,316,270</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 959,889	\$ 62,453	\$ 8,095	\$ 0	\$ (889,341)	\$ 0	\$ (889,341)
Public Safety	537,728	41,608	0	9,097	(487,023)	0	(487,023)
Public Works	648,389	10,225	245,856	250,088	(142,220)	0	(142,220)
Community Development	0	16,220	0	0	16,220	0	16,220
Culture and Recreation	243,985	92,804	55,573	0	(95,608)	0	(95,608)
Interest on Long-Term Debt	27,298	0	0	0	(27,298)	0	(27,298)
Total Governmental Activities	<u>2,417,289</u>	<u>223,310</u>	<u>309,524</u>	<u>259,185</u>	<u>(1,625,270)</u>	<u>0</u>	<u>(1,625,270)</u>
Business-Type Activities:							
Water	297,366	248,310	0	0	0	(49,056)	(49,056)
Sewer	42,616	28,375	0	0	0	(14,241)	(14,241)
Landfill	136,063	141,782	0	0	0	5,719	5,719
Total Business-Type Activities	<u>476,045</u>	<u>418,467</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(57,578)</u>	<u>(57,578)</u>
Total	<u>\$ 2,893,334</u>	<u>\$ 641,777</u>	<u>\$ 309,524</u>	<u>\$ 259,185</u>	<u>(1,625,270)</u>	<u>(57,578)</u>	<u>(1,682,848)</u>
General Revenues:							
Property Taxes					1,929,824	0	1,929,824
Interest and Penalties on Delinquent Taxes					18,620	0	18,620
Payment in Lieu of Taxes					899	0	899
General State Grants					110,515	0	110,515
Unrestricted Investment Earnings					2,346	3,543	5,889
Insurance Proceeds					29,398	0	29,398
Other Revenues					16,986	0	16,986
Gain on Sale of Capital Assets					29,034	0	29,034
Total General Revenues					<u>2,137,622</u>	<u>3,543</u>	<u>2,141,165</u>
Change in Net Assets					512,352	(54,035)	458,317
Net Assets - July 1, 2011					<u>3,001,633</u>	<u>856,320</u>	<u>3,857,953</u>
Net Assets - June 30, 2012					<u>\$ 3,513,985</u>	<u>\$ 802,285</u>	<u>\$ 4,316,270</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Revolving Loan Fund	Police Fund	Capital Equipment Fund	Capital Building Fund	Capital Roads Fund	2011 Flood Fund	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash	\$ 365,800	\$ 137,966	\$ 0	\$ 148,184	\$ 48,576	\$ 63,637	\$ 13,206	\$ 232,902	\$ 1,010,271
Investments	0	312,843	0	0	0	0	0	19,584	332,427
Receivables	92,483	0	0	0	0	0	0	0	92,483
Loans Receivable	0	195,847	0	0	0	0	0	0	195,847
Due from Other Funds	0	0	33,574	13,332	29,230	85,277	0	44,696	206,109
Prepaid Expenses	26,676	0	0	0	0	0	0	0	26,676
Total Assets	\$ 484,959	\$ 646,656	\$ 33,574	\$ 161,516	\$ 77,806	\$ 148,914	\$ 13,206	\$ 297,182	\$ 1,863,813
LIABILITIES									
Liabilities:									
Accounts Payable	\$ 48,139	\$ 0	\$ 0	\$ 7,447	\$ 3,000	\$ 0	\$ 0	\$ 40,688	\$ 99,274
Due to Other Funds	254,157	0	0	0	0	0	13,206	42,663	310,026
Deferred Revenue	45,711	188,000	0	0	0	0	0	0	233,711
Total Liabilities	348,007	188,000	0	7,447	3,000	0	13,206	83,351	643,011
Fund Balances/(Deficit):									
Nonspendable	26,676	0	0	0	0	0	0	17,700	44,376
Restricted	0	458,656	33,574	0	0	0	0	130,323	622,553
Assigned	0	0	0	154,069	74,806	148,914	0	133,518	511,307
Unassigned	110,276	0	0	0	0	0	0	(67,710)	42,566
Total Fund Balances	136,952	458,656	33,574	154,069	74,806	148,914	0	213,831	1,220,802
Total Liabilities and Fund Balances	\$ 484,959	\$ 646,656	\$ 33,574	\$ 161,516	\$ 77,806	\$ 148,914	\$ 13,206	\$ 297,182	
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:									
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.									3,609,057
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.									222,000
Long-Term and Accrued Liabilities, Including Bonds Payable, are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.									(1,537,874)
Net Assets of Governmental Activities									\$ 3,513,985

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Revolving Loan Fund	Police Fund	Capital Equipment Fund	Capital Building Fund	Capital Roads Fund	2011 Flood Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:									
Property Taxes	\$ 1,635,602	\$ 0	\$ 294,222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,929,824
Penalties and Interest	24,391	0	0	0	0	0	0	0	24,391
Licenses, Fees and Fines	52,949	0	9,171	0	0	0	0	3,036	65,156
Intergovernmental Revenues	185,288	0	0	0	0	204,137	153,279	153,617	696,321
Contributions and Donations	0	0	0	0	0	0	0	1,750	1,750
Charges for Services	90,338	0	26,808	0	0	0	0	9,289	126,435
Investment Income	1,343	0	0	118	306	373	5	200	2,345
Loan Interest Income	0	16,220	0	0	0	0	0	0	16,220
Loan Repayments	0	174,000	0	0	0	0	0	0	174,000
Recycling Revenues	15,133	0	0	0	0	0	0	0	15,133
Other Revenues	3,127	378	530	636	0	0	13,201	10,931	28,803
Total Revenues	2,008,171	190,598	330,731	754	306	204,510	166,485	178,823	3,080,378
EXPENDITURES:									
Current:									
General Government	637,009	1,311	0	0	7,425	0	166,485	127,270	939,500
Public Safety	176,737	0	316,588	0	0	0	0	3,998	497,323
Public Works	532,113	0	0	12,601	0	6,270	0	3,146	554,130
Culture & Recreation	220,616	0	0	0	0	0	0	18,732	239,348
Capital:									
Public Safety	0	0	0	1,653	0	0	0	9,097	10,750
Public Works	130,013	0	0	68,446	0	200,065	0	50,676	449,200
Debt Service:									
Principal	80,000	0	0	0	0	0	0	0	80,000
Interest	27,363	0	0	0	0	0	0	0	27,363
Total Expenditures	1,803,851	1,311	316,588	82,700	7,425	206,335	166,485	212,919	2,797,614
Excess/(Deficiency) of Revenues Over Expenditures	204,320	189,287	14,143	(81,946)	(7,119)	(1,825)	0	(34,096)	282,764
Other Financing Sources/(Uses):									
Transfers In	0	0	0	95,000	30,000	35,000	0	22,500	182,500
Transfers Out	(172,500)	0	(10,000)	0	0	0	0	0	(182,500)
Sale of Equipment	0	0	0	29,034	0	0	0	0	29,034
Total Other Financing Sources/(Uses)	(172,500)	0	(10,000)	124,034	30,000	35,000	0	22,500	29,034
Net Change in Fund Balances	31,820	189,287	4,143	42,088	22,881	33,175	0	(11,596)	311,798
Fund Balances - July 1, 2011	105,132	269,369	29,431	111,981	51,925	115,739	0	225,427	909,004
Fund Balances - June 30, 2012	\$ 136,952	\$ 458,656	\$ 33,574	\$ 154,069	\$ 74,806	\$ 148,914	\$ 0	\$ 213,831	\$ 1,220,802

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2012

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

Net change in fund balances - total government funds (Exhibit D)	\$	311,798
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost (\$459,950) of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$149,861). This is the amount by which capital outlays exceeded depreciation in the current period.		310,089
The net effect of various transactions involving capital assets (i.e., sales, trade-ins) is to decrease net assets.		(1,204)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(179,771)
The issuance of long-term debt (\$0) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$80,000) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		80,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(8,560)</u>
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>512,352</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Taxes:			
Property Taxes	\$ 1,620,802	\$ 1,635,602	\$ 14,800
Delinquent Taxes - Interest	10,000	10,364	364
Delinquent Taxes - Penalty	15,000	14,027	(973)
Fish and Wildlife Pond Access PILOT	900	899	(1)
National Forest Payments	10,000	13,588	3,588
Current Use Program	58,000	60,378	2,378
Total Taxes	<u>1,714,702</u>	<u>1,734,858</u>	<u>20,156</u>
Licenses, Fines & Fees:			
Liquor Licenses	1,330	850	(480)
Dog Licenses	3,000	2,061	(939)
Dog Fines	300	494	194
Police Fines	11,000	4,747	(6,253)
Town Clerk Fees	31,000	33,274	2,274
Motor Vehicle Reg. Renewals	1,200	882	(318)
Zoning Fees	6,000	9,017	3,017
School Treasurer's Fee	1,500	1,500	0
Total Licenses, Fines & Fees	<u>55,330</u>	<u>52,825</u>	<u>(2,505)</u>
Recreation Department:			
Program Registration Fees	66,000	62,904	(3,096)
Town Appropriations - 4 Towns	8,100	5,900	(2,200)
Youth Center Event & Rental Income	1,000	1,000	0
Pottery Studio	0	9,309	9,309
Hall Rentals	1,500	1,365	(135)
Total Recreation Department	<u>76,600</u>	<u>80,478</u>	<u>3,878</u>
Highway Department:			
State Aid for Highways	90,000	92,576	2,576
Equipment Use - Water/Landfill	8,000	9,460	1,460
Garage Rent from Water Department	400	400	0
Miscellaneous	500	365	(135)
Total Highway Department	<u>98,900</u>	<u>102,801</u>	<u>3,901</u>
Reimbursements to Town:			
Library Personnel Benefits Reimbursement	15,700	16,198	498
Act 60 Reimbursements	1,600	1,649	49
Heavy Rescue Charges	2,000	0	(2,000)
Total Reimbursements to Town	<u>19,300</u>	<u>17,847</u>	<u>(1,453)</u>
Recycling Revenue:			
Recyclable Material Payments	4,000	3,718	(282)
Recycling User Sticker Fees	10,000	9,308	(692)
Household Hazardous Waste	2,170	2,107	(63)
Total Recycling Revenue	<u>16,170</u>	<u>15,133</u>	<u>(1,037)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Revenues:			
Interest	\$ 3,000	\$ 1,343	\$ (1,657)
Tree Planting	0	1,000	1,000
Parking Permit Fees	100	125	25
Miscellaneous Revenues	<u>2,000</u>	<u>1,761</u>	<u>(239)</u>
Total Other Revenues	<u>5,100</u>	<u>4,229</u>	<u>(871)</u>
Total Revenue	<u>1,986,102</u>	<u>2,008,171</u>	<u>22,069</u>
Expenditures:			
General Expenses:			
Supplies	3,500	3,457	43
Furnishings	400	0	400
Equipment	4,500	2,574	1,926
Advertising	1,600	703	897
Postage	1,600	3,496	(1,896)
Telephone	1,500	1,198	302
Pub. Official & Empl. Practices Ins.	11,000	9,776	1,224
Landfill - Fees	1,400	1,400	0
Miscellaneous	<u>1,500</u>	<u>1,490</u>	<u>10</u>
Total General Expenses	<u>27,000</u>	<u>24,094</u>	<u>2,906</u>
Administrator's Office:			
Salaries	65,000	67,841	(2,841)
Additional Labor	400	108	292
FICA	5,003	5,721	(718)
Health Insurance	10,601	6,318	4,283
Retirement	4,225	2,610	1,615
Workers Compensation	250	298	(48)
Disability Insurance	725	985	(260)
Mileage	1,200	1,231	(31)
Training	<u>200</u>	<u>142</u>	<u>58</u>
Total Administrator's Office	<u>87,604</u>	<u>85,254</u>	<u>2,350</u>
Clerk/Treasurer's Office:			
Salaries	70,519	66,787	3,732
FICA	5,395	5,111	284
Health Insurance	2,506	1,244	1,262
Retirement	3,418	3,730	(312)
Workers Compensation	275	297	(22)
Disability Insurance	580	847	(267)
Training	300	413	(113)
Supplies	3,800	3,691	109
Software & Programming	1,400	1,440	(40)
Equipment	500	394	106
Postage	1,500	1,127	373
Telephone	1,400	1,125	275
Microfilming	525	181	344
Miscellaneous	<u>200</u>	<u>165</u>	<u>35</u>
Total Clerk/Treasurer's Office	<u>92,318</u>	<u>86,552</u>	<u>5,766</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Listing Department:			
Salaries	\$ 13,800	\$ 10,912	\$ 2,888
FICA	1,056	835	221
Workers Compensation	125	125	0
Mileage	300	207	93
Training	200	230	(30)
Supplies	500	326	174
Software	1,070	1,095	(25)
Equipment	1,000	0	1,000
Postage	200	232	(32)
Telephone	700	591	109
Legal Fees	500	1,085	(585)
Professional Fees	1,500	0	1,500
Map Maintenance	1,750	2,082	(332)
Miscellaneous	<u>100</u>	<u>0</u>	<u>100</u>
Total Listing Department	<u>22,801</u>	<u>17,720</u>	<u>5,081</u>
Planning & Zoning:			
Salaries	16,750	17,109	(359)
FICA	1,281	1,256	25
Health Insurance	2,506	1,335	1,171
Retirement	884	1,072	(188)
Workers Compensation	125	125	0
Disability Insurance	200	222	(22)
Mileage	800	375	425
Training	100	0	100
Supplies	400	206	194
Advertising	700	485	215
Postage	600	470	130
Attorney Fees	12,000	15,964	(3,964)
Planning Services	7,000	2,906	4,094
Printing	1,000	1,632	(632)
Meetings	<u>900</u>	<u>485</u>	<u>415</u>
Total Planning & Zoning	<u>45,246</u>	<u>43,642</u>	<u>1,604</u>
Professional Fees:			
Attorney Fees	5,000	3,358	1,642
Audit Fees	<u>8,000</u>	<u>21,728</u>	<u>(13,728)</u>
Total Professional Fees	<u>13,000</u>	<u>25,086</u>	<u>(12,086)</u>
Town Report	<u>2,200</u>	<u>1,744</u>	<u>456</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Meetings & Elections:			
Election Workers	\$ 600	\$ 948	\$ (348)
Election Supplies	1,600	1,660	(60)
Total Meetings & Elections	<u>2,200</u>	<u>2,608</u>	<u>(408)</u>
Town Officers:			
Salaries	3,500	3,520	(20)
Collector of Delinquent Taxes	0	9	(9)
Conservation Commission	250	269	(19)
Energy Committee	250	55	195
FICA/MEDI	268	226	42
Training	100	125	(25)
Total Town Officers	<u>4,368</u>	<u>4,204</u>	<u>164</u>
Town Parks:			
Supplies	800	1,349	(549)
Electricity	950	839	111
Liability Insurance	1,000	1,222	(222)
Mowing	10,000	10,657	(657)
Maintenance	500	506	(6)
Sycamore Park Portolet	500	200	300
Tree Planting	400	669	(269)
Landfill Fees	1,500	1,500	0
Miscellaneous	200	190	10
Total Town Parks	<u>15,850</u>	<u>17,132</u>	<u>(1,282)</u>
Holley Hall:			
Supplies	700	851	(151)
Equipment	100	485	(385)
Heating Fuel	6,500	6,037	463
Electricity	4,500	3,578	922
Custodial	3,700	3,985	(285)
Building Maintenance	1,500	1,948	(448)
Liability Insurance	3,250	3,681	(431)
Holley Hall Renovation Bond	60,000	58,559	1,441
Sewer Fees	550	500	50
Water Fees	350	228	122
Total Holley Hall	<u>81,150</u>	<u>79,852</u>	<u>1,298</u>
Howden Hall:			
Supplies	250	243	7
Heating Fuel	1,500	2,037	(537)
Electricity	2,000	1,638	362
Telephone	450	504	(54)
Liability Insurance	2,000	2,458	(458)
Maintenance & Custodial	700	363	337
Coach House	200	0	200
Water Fees	250	230	20
Total Howden Hall	<u>7,350</u>	<u>7,473</u>	<u>(123)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Public Safety:			
Dog Officer	\$ 1,800	\$ 1,921	\$ (121)
FICA	138	147	(9)
Dog Pound	1,000	1,124	(124)
Street Lights	24,000	28,882	(4,882)
Town Traffic Control	10,000	10,000	0
Police Services - Outside District	2,500	3,510	(1,010)
Supplies	0	34	(34)
Total Public Safety	<u>39,438</u>	<u>45,618</u>	<u>(6,180)</u>
Fire Department:			
Labor	20,400	21,245	(845)
FICA/MEDI	1,561	1,445	116
Dues	825	970	(145)
Training	2,950	1,620	1,330
OSHA Requirements	4,775	4,395	380
Supplies	7,500	10,009	(2,509)
Heating Fuel	6,500	7,768	(1,268)
Electricity	2,600	2,888	(288)
Propane	450	308	142
Gas & Oil	3,000	3,192	(192)
Telephone	1,200	1,330	(130)
Dispatching	2,400	817	1,583
Building Maintenance	2,000	982	1,018
Workers Compensation	2,500	2,040	460
Accident & Disability Insurance	2,000	2,575	(575)
Liability Insurance	9,000	7,769	1,231
Water Fees	240	313	(73)
Landfill Fees	120	120	0
Radios and Pagers	3,400	4,053	(653)
Firefighting Equipment Repairs	3,500	2,371	1,129
2007 Engine Tanker Repairs	500	0	500
Pumper - Hose Reel	500	106	394
1997 Engine One	1,000	1,567	(567)
Utility Vehicle Repair	850	566	284
Car One	850	321	529
Heavy Rescue Vehicle Repair	500	74	426
Storage Heavy Rescue	3,200	3,200	0
Bond Payment - 1997 Eng. One	10,705	10,705	0
Bond Payment - 2007 Eng. Tanker	38,100	38,100	0
Fire Prevention	500	270	230
Miscellaneous	200	0	200
Total Fire Department	<u>133,826</u>	<u>131,119</u>	<u>2,707</u>
Lawrence Memorial Library:			
Health Insurance	15,000	15,397	(397)
Workers Compensation	250	251	(1)
Disability Insurance	450	668	(218)
Liability Insurance	2,600	2,274	326
Total Lawrence Memorial Library	<u>18,300</u>	<u>18,590</u>	<u>(290)</u>
Cemetery Care	<u>3,000</u>	<u>2,978</u>	<u>22</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Tax Anticipation Interest	\$ 5,000	\$ 2,474	\$ 2,526
Dues, Taxes, Contributions:			
Addison County Regional Planning	4,019	4,019	0
Addison County Tax	4,392	4,392	0
Addison County Economic Dev. Corp.	1,000	550	450
Vermont League of Cities & Towns	3,000	3,000	0
Christmas Committee	400	243	157
Fourth of July Bristol PD Expense	19,000	18,482	518
Chamber of Commerce	135	140	(5)
Tax Sale/Abatement Expense	0	1,026	(1,026)
Total Dues, Taxes, Contributions	31,946	31,852	94
Municipal Solid Waste Program:			
Recycling Hauling Process	20,000	15,544	4,456
Recycling Labor	9,500	9,314	186
Recycling Manager's Salary	3,000	2,246	754
Worker's Compensation	1,300	453	847
Fica	956	91	865
Equipment Use	800	0	800
Household Hazardous Waste	10,000	8,927	1,073
Solid Waste Education Program	1,800	0	1,800
Solid Waste Planning	500	0	500
Electricity	0	388	(388)
Total Municipal Solid Waste Program	47,856	36,963	10,893
Highway Department:			
Personnel & Insurance:			
Salaries	223,500	222,221	1,279
Overtime	20,000	13,711	6,289
FICA/MEDI	18,628	19,321	(693)
Health Insurance	60,000	54,612	5,388
Retirement	15,828	15,650	178
Workers Compensation	15,000	13,900	1,100
Disability Insurance	2,500	3,364	(864)
Uniforms	1,500	1,583	(83)
Mileage	500	223	277
Training	800	150	650
Liability Insurance	12,000	11,162	838
Total Personnel & Insurance	370,256	355,897	14,359
Equipment:			
Supplies	12,000	13,375	(1,375)
Parts	10,000	11,578	(1,578)
Tires	5,000	4,928	72
Fuels	42,000	43,434	(1,434)
Oil, Anti-freeze	2,000	2,040	(40)
Purchases	2,500	7,270	(4,770)
Contracted Repairs	11,000	13,028	(2,028)
Equipment Rentals	500	250	250
Total Equipment	85,000	95,903	(10,903)

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Garage:			
Supplies	\$ 5,000	\$ 6,777	\$ (1,777)
Heating Fuels (Old Garage)	3,000	1,051	1,949
Propane (New Garage)	3,200	1,153	2,047
Electricity	3,000	3,246	(246)
Telephone	700	594	106
Pagers	650	540	110
Maintenance	2,500	14,232	(11,732)
Water Fees	500	234	266
Landfill Fees	200	200	0
Total Garage	18,750	28,027	(9,277)
Materials & Services:			
Road Gravel	22,000	19,085	2,915
Winter Sand	32,000	24,522	7,478
Salt	50,000	41,513	8,487
Chloride	22,000	21,716	284
Re-Paving	85,000	81,982	3,018
Cold Patch	1,000	978	22
Culverts	4,000	1,670	2,330
Signs	2,000	1,967	33
Tree Work	4,500	3,220	1,280
Sidewalks	15,000	14,994	6
Guard Rail	2,000	2,000	0
Storm Drainage	1,000	0	1,000
Contracted Services	13,000	16,235	(3,235)
Miscellaneous	1,000	1,221	(221)
Total Materials & Services	254,500	231,103	23,397
Total Highway Department	728,506	710,930	17,576
Arts, Parks & Recreation Department:			
General Recreation Department:			
Labor (Director & Assistant)	56,400	56,003	397
Contracted Labor	500	556	(56)
FICA	4,315	4,284	31
Retirement	2,639	2,639	0
Workers Compensation	2,700	1,794	906
Disability Insurance	500	622	(122)
Mileage	400	350	50
Training	500	749	(249)
Supplies	1,000	961	39
Equipment	6,900	6,533	367
Advertising	1,600	1,250	350
Facilities Rent	1,000	2,033	(1,033)
Postage	500	440	60
Telephone	1,600	1,147	453
Holley Hall Custodial	1,560	1,370	190
Printing	1,500	1,428	72
Programs	34,000	35,762	(1,762)
Events	500	1,531	(1,031)
Annual Fees	300	230	70
Miscellaneous	300	240	60
Total General Recreation Department	118,714	119,922	(1,208)

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Arts, Parks & Recreation Department/(Cont'd):			
Youth Center/Skate Park:			
Full Time Labor	\$ 32,500	\$ 32,452	\$ 48
Part Time Labor	10,100	8,963	1,137
FICA	3,259	2,515	744
Retirement	2,113	2,110	3
Workers Compensation	2,700	1,794	906
Disability Insurance	375	507	(132)
Travel	400	209	191
Supplies	900	1,020	(120)
Food	1,500	1,285	215
Heat	1,100	1,815	(715)
Electricity	2,000	1,789	211
Telephone	1,200	1,040	160
Programs/Workshops	1,800	1,673	127
Trash Disposal	400	400	0
Maintenance	1,000	1,183	(183)
Miscellaneous	0	4,276	(4,276)
	<u>61,347</u>	<u>63,031</u>	<u>(1,684)</u>
Total Youth Center/Skate Park			
Pottery Studio:			
Labor	10,100	9,258	842
Supplies	1,000	1,080	(80)
Kiln	700	345	355
Heat	800	1,181	(381)
Electricity	400	306	94
Rent	6,600	6,050	550
Telephone	500	511	(11)
Instructors	0	1,800	(1,800)
	<u>20,100</u>	<u>20,531</u>	<u>(431)</u>
Total Pottery Studio			
Total Arts, Parks & Recreation Department			
	<u>200,161</u>	<u>203,484</u>	<u>(3,323)</u>
Voted Appropriations:			
Capital Equipment Fund	75,000	75,000	0
Capital Fire Equipment Fund	10,000	10,000	0
Capital Building Fund	20,000	30,000	(10,000)
Capital Building Fund - Howden Hall	7,500	7,500	0
Capital Road Fund	35,000	35,000	0
Reappraisal Fund	5,000	5,000	0
Conservation Reserve Fund	10,000	10,000	0
Lawrence Memorial Library	113,932	113,932	0
Bristol Recreation Club	23,000	23,000	0
Addison County Court Diversion	1,150	1,150	0
Addison County Home Health	4,700	4,700	0
Addison County Humane Society	1,000	1,000	0
Addison County Parent Child Center	4,800	4,800	0
Addison County Transit Resources Program	8,900	8,900	0
Addison County Readers Program	2,000	2,000	0
Bristol After School Program	1,275	1,275	0
Bristol Band	1,100	1,100	0
Bristol Cemetery Association	8,000	8,000	0
Bristol Downtown Community Part.	5,000	5,000	0
Bristol Family Center	4,000	4,000	0

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Voted Appropriations/(Cont'd):			
Bristol Fourth of July Committee	\$ 6,000	\$ 6,000	\$ 0
Bristol Historical Society	2,500	2,500	0
Bristol Little League	2,000	2,000	0
Bristol Rescue Squad	10,000	10,000	0
Champlain Valley Agency on Aging	2,700	2,700	0
Counseling Service Addison County	3,875	3,875	0
Elderly Services	2,200	2,200	0
Hope (Former AC Community Action)	3,250	3,250	0
Hospice Volunteer Services	1,000	1,000	0
John Graham Emergency Shelter	1,400	1,400	0
Lewis Creek Association	300	300	0
Northeast Addison TV (NEAT)	3,500	3,500	0
Open Door Clinic	1,000	1,000	0
Retired Senior Volunteer Program	750	750	0
Vermont Adult Learning	1,650	1,650	0
WomenSafe	3,500	3,500	0
	<u>386,982</u>	<u>396,982</u>	<u>(10,000)</u>
Total Voted Appropriations			
	<u>1,996,102</u>	<u>1,976,351</u>	<u>19,751</u>
Total Expenditures			
Excess/(Deficiency) of Revenue			
Over Expenditures	\$ <u>(10,000)</u>	31,820	\$ <u>41,820</u>
Fund Balance - July 1, 2011		<u>105,132</u>	
Fund Balance - June 30, 2012		<u>\$ 136,952</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 294,222	\$ 294,222	\$ 0
General Revenues	0	510	510
Detail Revenues	3,500	1,725	(1,775)
Town Traffic Patrol Contract	10,000	10,000	0
MAUHS Contract	6,000	6,545	545
Click It or Ticket	0	4,178	4,178
Non-District Service Fees	4,000	3,420	(580)
Fines	18,000	9,171	(8,829)
Towing	1,000	940	(60)
Interest	100	0	(100)
Miscellaneous	500	20	(480)
	<u>337,322</u>	<u>330,731</u>	<u>(6,591)</u>
Expenditures:			
Salaries	139,000	112,598	26,402
Part-time Labor	16,600	32,254	(15,654)
Detail Labor	3,000	1,868	1,132
Clerical	4,900	3,436	1,464
Administrator	1,900	1,900	0
Overtime	18,000	18,967	(967)
GHSP Grant Expense	0	2,219	(2,219)
START Grant Expense	0	9,707	(9,707)
FICA/MEDI	14,030	12,716	1,314
Health Insurance	55,000	48,139	6,861
State Retirement	10,842	9,853	989
Worker's Compensation	8,000	6,820	1,180
Disability Insurance	2,000	2,130	(130)
Uniforms	1,500	1,160	340

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:/(Cont'd)			
Training	\$ 1,500	\$ 2,283	\$ (783)
Computer	3,000	75	2,925
Office Supplies	750	775	(25)
Equipment	0	328	(328)
General Supplies	750	418	332
Vehicle Gas/Oil	7,500	9,013	(1,513)
Advertising	200	147	53
Vehicle Maintenance	5,500	8,403	(2,903)
Facility Expenses	12,000	11,551	449
Postage	700	246	454
Communications	4,000	6,406	(2,406)
Towing	800	1,255	(455)
Insurance	12,000	11,525	475
Capital Vehicle Reserve	7,500	7,500	0
Capital Equipment Reserve	2,500	2,500	0
Miscellaneous	1,500	396	1,104
	<u>334,972</u>	<u>326,588</u>	<u>8,384</u>
Total Expenditures			
Excess of Revenue			
Over Expenditures	\$ <u>2,350</u>	4,143	\$ <u>1,793</u>
Fund Balance - July 1, 2011		<u>29,431</u>	
Fund Balance - June 30, 2012		<u>\$ 33,574</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Water Fund	Sewer Fund	Landfill Fund	Total
ASSETS				
Current Assets:				
Cash	\$ 112,341	\$ 14,055	\$ 27	\$ 126,423
Investments	0	0	401,244	401,244
Receivables (Net of Allowance for Uncollectible Accounts)	50,930	4,649	3,778	59,357
Due from Other Funds	0	12,836	111,457	124,293
Total Current Assets	163,271	31,540	516,506	711,317
Noncurrent Assets:				
Capital Assets				
Plant and Equipment	2,106,220	583,262	199,678	2,889,160
Accumulated Depreciation	(709,999)	(204,145)	(61,867)	(976,011)
Total Noncurrent Assets	1,396,221	379,117	137,811	1,913,149
Total Assets	\$ 1,559,492	\$ 410,657	\$ 654,317	\$ 2,624,466
LIABILITIES				
Current Liabilities:				
Accrued Interest Payable	\$ 7,709	\$ 757	\$ 0	\$ 8,466
Due to Other Funds	20,376	0	0	20,376
General Obligation Bonds Payable - Current Portion	31,742	7,869	0	39,611
Notes Payable - Current Portion	15,000	0	0	15,000
Total Current Liabilities	74,827	8,626	0	83,453
Noncurrent Liabilities:				
Compensated Absences Payable	245	86	232	563
Landfill - Estimated Closure and Post-Closure Cost	0	0	656,000	656,000
General Obligation Bonds Payable - Noncurrent Portion	927,274	109,891	0	1,037,165
Notes Payable - Noncurrent Portion	45,000	0	0	45,000
Total Noncurrent Liabilities	972,519	109,977	656,232	1,738,728
Total Liabilities	1,047,346	118,603	656,232	1,822,181
NET ASSETS/(DEFICIT)				
Investment in Capital Assets, Net of Related Debt Unrestricted	377,205 134,941	261,357 30,697	137,811 (139,726)	776,373 25,912
Total Net Assets/(Deficit)	512,146	292,054	(1,915)	802,285
Total Liabilities and Net Assets	\$ 1,559,492	\$ 410,657	\$ 654,317	\$ 2,624,466

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Water Fund	Sewer Fund	Landfill Fund	Total
OPERATING REVENUES:				
Charges for Services	\$ 238,027	\$ 25,816	\$ 139,195	\$ 403,038
Other Income	10,283	2,559	2,587	15,429
Total Operating Revenues	<u>248,310</u>	<u>28,375</u>	<u>141,782</u>	<u>418,467</u>
OPERATING EXPENSES:				
Operations	185,738	21,063	128,193	334,994
Depreciation	52,745	14,582	4,671	71,998
Total Operating Expenses	<u>238,483</u>	<u>35,645</u>	<u>132,864</u>	<u>406,992</u>
Operating Income/(Loss)	<u>9,827</u>	<u>(7,270)</u>	<u>8,918</u>	<u>11,475</u>
NONOPERATING REVENUES (EXPENSES):				
Loss on Disposal of Equipment	0	0	(3,199)	(3,199)
Investment Income	566	28	2,949	3,543
Interest Expense	(57,642)	(8,212)	0	(65,854)
Total Nonoperating Revenues (Expenses)	<u>(57,076)</u>	<u>(8,184)</u>	<u>(250)</u>	<u>(65,510)</u>
Change in Net Assets	(47,249)	(15,454)	8,668	(54,035)
Net Assets/(Deficit) - July 1, 2011	<u>559,395</u>	<u>307,508</u>	<u>(10,583)</u>	<u>856,320</u>
Net Assets/(Deficit) - June 30, 2012	<u>\$ 512,146</u>	<u>\$ 292,054</u>	<u>\$ (1,915)</u>	<u>\$ 802,285</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Water Fund	Sewer Fund	Landfill Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$ 237,679	\$ 28,120	\$ 145,354	\$ 411,153
Payments for Wages and Benefits	(7,963)	(1,450)	(35,615)	(45,028)
Payments for Goods and Services	<u>(177,780)</u>	<u>(19,532)</u>	<u>(56,585)</u>	<u>(253,897)</u>
Net Cash Provided by Operating Activities	<u>51,936</u>	<u>7,138</u>	<u>53,154</u>	<u>112,228</u>
Cash Flows From Noncapital Financing Activities:				
Net Change in Due To/From Other Funds	<u>(12,273)</u>	<u>1,699</u>	<u>(30,964)</u>	<u>(41,538)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(12,273)</u>	<u>1,699</u>	<u>(30,964)</u>	<u>(41,538)</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase of Capital Assets	0	0	(25,000)	(25,000)
Principal Paid on General Obligation Bonds	(10,567)	(1,380)	0	(11,947)
Principal Paid on Notes Payable	(15,000)	0	0	(15,000)
Interest Paid on General Obligation Bonds	(47,179)	(7,456)	0	(54,635)
Interest Paid on Notes Payable	<u>(4,248)</u>	<u>0</u>	<u>0</u>	<u>(4,248)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(76,994)</u>	<u>(8,836)</u>	<u>(25,000)</u>	<u>(110,830)</u>
Cash Flows From Investing Activities:				
Purchase of Investments	0	0	(2,944)	(2,944)
Receipt of Interest and Dividends	<u>566</u>	<u>27</u>	<u>2,949</u>	<u>3,542</u>
Net Cash Provided by Investing Activities	<u>566</u>	<u>27</u>	<u>5</u>	<u>598</u>
Net Increase/(Decrease) in Cash	(36,765)	28	(2,805)	(39,542)
Cash - July 1, 2011	<u>149,106</u>	<u>14,027</u>	<u>2,832</u>	<u>165,965</u>
Cash - June 30, 2012	<u>\$ 112,341</u>	<u>\$ 14,055</u>	<u>\$ 27</u>	<u>\$ 126,423</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:				
Operating Income/(Loss)	\$ 9,827	\$ (7,270)	\$ 8,918	\$ 11,475
Depreciation	52,745	14,582	4,671	71,998
(Increase)/Decrease in Accounts Receivable	(10,631)	(255)	3,572	(7,314)
Increase/(Decrease) in Compensated Absences Payable	(5)	81	(7)	69
Increase/(Decrease) in Landfill Estimated Closure Cost Liability	<u>0</u>	<u>0</u>	<u>36,000</u>	<u>36,000</u>
Net Cash Provided by Operating Activities	<u>\$ 51,936</u>	<u>\$ 7,138</u>	<u>\$ 53,154</u>	<u>\$ 112,228</u>

Noncash Flow Information:

The Town disposed of equipment with a cost of \$19,248 and accumulated depreciation of \$16,049 in the Landfill Fund.

The accompanying notes are an integral part of this financial statement.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

The Town of Bristol, Vermont, (herein the "Town") operates under a Selectboard form of government and provides the following services: public safety, public works, sanitation, culture and recreation, public improvements, planning and zoning, community development, water, sewer, landfill and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of Bristol, Vermont (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the funds of the Town of Bristol, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, there are no entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function or program. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category ó governmental and proprietary ó are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund ó This is the Town's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Revolving Loan Fund ó The Revolving Loan Fund was established to account for monies loaned to businesses within the Town.

Police Fund ó The Police Fund accounts for taxes and other revenue charged to provide public safety to taxpayers in a specific area of the Town.

Capital Equipment Fund ó The Capital Equipment Fund was established to account for monies transferred from other funds on an annual basis to be used for the acquisition of equipment.

Capital Building Fund ó The Capital Building Fund was established to account for monies transferred from other funds on an annual basis to be used for building improvements.

Capital Roads Fund ó The Capital Roads Fund was established to account for monies transferred from other funds on an annual basis to be used for road improvements.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

2011 Flood Fund ó The 2011 Flood Fund was established to account for federal and local funds to repair damage to the Town that was caused by Hurricane Irene.

Proprietary Funds

The Town reports the following major enterprise funds:

Water Fund ó The Water Fund was established to account for user fees charged to customers to provide water services.

Sewer Fund ó The Sewer Fund was established to account for user fees charged to customers to provide sewer services.

Landfill Fund ó The Landfill Fund was established to account for user fees charged to customers to provide solid waste services.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net assets). Equity (i.e., net total assets) is segregated into invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

The government-wide and proprietary fund financial statements follow Financial Accounting Standards Board (FASB) Statements and Interpretations and Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins, issued on or before November 30, 1989; unless those pronouncements conflict with GASB pronouncements. As permitted under Statement of Governmental Accounting Standards No. 20, the Town has elected not to apply FASB Statements issued after November 30, 1989.

E. Use of Estimates

The presentation 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 the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

F. Assets, Liabilities and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

Excess cash of individual funds are shown as due from other funds and excess cash withdrawals are shown as due to other funds. Interest income is allocated based on the due to/from other fund balances.

2. Investments

Investments with readily determined fair values are reported at the fair values on the balance sheet. Unrealized gains and losses are included in revenue. The Town invests in instruments as authorized by State statutes.

3. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

Unbilled revenues consist of revenues earned as of June 30, but not yet billed as of that date.

4. Internal Balances

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" or "interfund loan receivable/payable". 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".

5. Prepaid Expenses

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses.

Reported prepaid expenses of governmental funds in the fund financial statements are offset by a nonspendable fund balance as these are not in spendable form.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

6. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with the fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively. The Town has not capitalized any interest costs.

Depreciable capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

The Town does not have a capitalization policy, therefore, the Town determines the capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) based on their judgment. The estimated useful lives of capital assets are as follows:

	<u>Estimated Service Life</u>
Land Improvements	40
Buildings and Building Improvements	40
Trucks, Furniture and Equipment	10
Infrastructure	40
Police Cars	5
Water and Sewer Systems	40
Roads	40

7. Compensated Balances

Sick Leave: Sick leave is earned by full-time permanent employees at a rate of seven (7) days per year. Employees may carry up to fifteen (15) days of sick leave from fiscal year to fiscal year. Each July 1, employees can exchange sick leave accrued over fifteen (15) days for vacation days at a rate of two (2) sick days for one (1) vacation day.

Vacation: Employees of the Town are granted vacation leave in varying amounts. Employees may carry over to the next fiscal year up to ten (10) days of vacation.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Upon termination of employment, the Town will compensate the employee for unused vacation and sick days up to the limits noted above at current pay rates.

8. Long-term Liabilities

Long-term liabilities include bonds payable, notes payable and other obligations such as the Landfill estimated closure and post-closure liability and compensated absences. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current assets and liabilities on their balance sheets.

9. Fund Equity

Fund Balances and Retained Earnings are classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net assets in the government-wide and proprietary fund type financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement.

Fund Balances in the governmental funds financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND AND GOVERNMENT-WIDE STATEMENTS

Governmental Fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, while government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. These differences in the measurement focus and basis of accounting lead to differences between the governmental fund financial statements and the government-wide financial statements as follows:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas government-wide statements report revenues when they are earned. Long-term expense differences arise because governmental funds report expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as another financing source, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Long-term debt transaction differences arise because governmental funds report bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The administration and finance office of the Town are responsible for preparing the annual revenue and expenditures budgets. This budget is presented to the Selectboard and once the Board has adopted the budget, it is sent to the voters of the Town. The budget is voted on annually in March. Budget changes require voter approval. There were no budget amendments during the year.

B. Budgeted Deficit/Surplus

The Town elected to budget expenditures in excess of revenues by \$10,000 in the General Fund in order to reduce taxes for the 2011-2012 fiscal year as approved by the voters. This is reflected as a current year's budgetary excess of expenditures over revenue in Exhibit F.

The Town elected to budget revenues in excess of expenditures by \$2,350 in the Police Fund in order to increase the available fund balance. This is reflected as a current year's budgetary excess of revenues over expenditures in Exhibit G.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town's cash and investments as of June 30, 2012 consisted of the following:

Cash:

Deposits with Financial Institutions	<u>\$1,136,694</u>
Total Cash	<u>1,136,694</u>

Investments:

Investments ó Certificates of Deposit	<u>733,671</u>
Total Investments	<u>733,671</u>
Total Cash and Investments	<u>\$1,870,365</u>

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

The Town has two (2) certificates of deposit with Peoples United Bank in the amount of \$19,584 and \$401,244 with interest rates of 0.45% and 0.75% and maturity dates of September 6, 2013 and March 25, 2013, respectively. The Town also has two (2) certificates of deposit with Merchants Bank in the amount of \$62,755 and \$250,088 with interest rates of 0.45% and 0.4% and maturity dates of December 5, 2012 and June 5, 2013, respectively.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The table below shows the custodial credit risk of the Town's cash and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured ó FDIC	\$ 750,000	\$ 750,000
Uninsured, Collateralized by U.S. Government Securities, Federal Agency Issued Mortgage Backed Securities and/or General Obligation Vermont Municipal Notes and Bonds Held by the Bank's Trust Department with a Security Interest Granted to the Town	<u>1,120,365</u>	<u>1,169,606</u>
Total	<u>\$1,870,365</u>	<u>\$1,919,606</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

Deposits are comprised of the following:

Deposits with Financial Institutions	\$1,136,694
Investments ó Certificates of Deposit	<u>733,671</u>
Total Deposits	<u>\$1,870,365</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town has no investments subject to credit risk.

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The certificates of deposit are not subject to interest rate risk disclosure requirements.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town has no limit on the amount that they may invest with any one issuer. The Town has no investments subject to concentration of credit risk.

B. Receivables

Receivables at June 30, 2012, as reported in the statement of net assets, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Delinquent Taxes	\$ 81,845	\$ 0	\$ 81,845
Penalties and Interest	9,944	0	9,944
Accounts Receivable	39	0	39
Landfill Receivable	0	3,778	3,778
Billed Services	0	35,229	35,229
Unbilled Services	0	18,752	18,752
Miscellaneous	655	1,598	2,253
	\$ 92,483	\$ 59,357	\$ 151,840

C. Loans Receivable

Loans Receivable at June 30, 2012 consists of a number of loans for community development as follows:

Notes Receivable, 10 Small Business Loans, Monthly Principal and Interest Payments Required, Interest Ranging from 4.0% to 6.0%, Maturity Dates Ranging from April 1, 2013 through April 1, 2017 All Secured by Business Assets. \$ 195,847

An Analysis of the change in notes receivable is as follows:

<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>\$374,030</u>	<u>\$ 0</u>	<u>\$178,183</u>	<u>\$195,847</u>

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

D. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 93,400	\$ 0	\$ 0	\$ 93,400
Total Capital Assets, Not Being Depreciated	<u>93,400</u>	<u>0</u>	<u>0</u>	<u>93,400</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,340,296	22,223	0	1,362,519
Furniture and Equipment	515,053	21,699	0	536,752
Vehicles	1,153,178	68,446	111,896	1,109,728
Infrastructure	1,434,439	347,582	0	1,782,021
Totals	<u>4,442,966</u>	<u>459,950</u>	<u>111,896</u>	<u>4,791,020</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	110,855	26,474	0	137,329
Furniture and Equipment	301,505	26,151	0	327,656
Vehicles	758,569	65,731	110,692	713,608
Infrastructure	65,265	31,505	0	96,770
Totals	<u>1,236,194</u>	<u>149,861</u>	<u>110,692</u>	<u>1,275,363</u>
Total Capital Assets, Being Depreciated	<u>3,206,772</u>	<u>310,089</u>	<u>1,204</u>	<u>3,515,657</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,300,172</u>	<u>\$ 310,089</u>	<u>\$ 1,204</u>	<u>\$ 3,609,057</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, Being Depreciated:				
Water and Sewer Systems	\$ 2,783,559	\$ 0	\$ 0	\$ 2,783,559
Roads	29,650	0	0	29,650
Equipment	35,835	25,000	19,248	41,587
Vehicles	34,364	0	0	34,364
Totals	<u>2,883,408</u>	<u>25,000</u>	<u>19,248</u>	<u>2,889,160</u>
Less Accumulated Depreciation for:				
Water and Sewer Systems	850,487	69,589	0	920,076
Roads	4,818	741	0	5,559
Equipment	30,393	1,668	16,049	16,012
Vehicles	34,364	0	0	34,364
Totals	<u>920,062</u>	<u>71,998</u>	<u>16,049</u>	<u>976,011</u>
Total Capital Assets, Being Depreciated	<u>1,963,346</u>	<u>(46,998)</u>	<u>3,199</u>	<u>1,913,149</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,963,346</u>	<u>\$ (46,998)</u>	<u>\$ 3,199</u>	<u>\$ 1,913,149</u>

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

Depreciation expense is charged to functions as follows:

Governmental Activities:

General Government	\$ 19,246
Public Works	82,785
Public Safety	43,775
Recreation	<u>4,055</u>
Total Governmental Activities	<u>\$149,861</u>

Business-Type Activities

Water	\$ 52,745
Sewer	14,582
Landfill	<u>4,671</u>
Total Business-Type Activities	<u>\$ 71,998</u>

E. Interfund Balances and Activity

The Due To/From balances as of June 30, 2012 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 254,157
Police Fund	33,574	0
Capital Equipment Fund	13,332	0
Capital Building Fund	29,230	0
Capital Road Fund	85,277	0
2011 Flood Fund	0	13,206
Other Governmental Funds	44,696	42,663
Water Fund	0	20,376
Sewer Fund	12,836	0
Landfill Fund	<u>111,457</u>	<u>0</u>
 Total	 <u>\$ 330,402</u>	 <u>\$ 330,402</u>

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Interfund transfers during the year ended June 30, 2012 were as follows:

<u>Transfer From</u>	<u>Amount</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	\$ 30,000	Capital Building Fund	\$ 30,000	Annual Funding
General Fund	35,000	Capital Roads Fund	35,000	Annual Funding
General Fund	22,500	Other Governmental Funds	22,500	Annual Funding
General Fund	75,000	Capital Equipment Fund	75,000	Annual Funding for Highway Equipment
General Fund	10,000	Capital Equipment Fund	10,000	Annual Funding for Fire Equipment
Police Fund	<u>10,000</u>	Capital Equipment Fund	<u>10,000</u>	Annual Funding
Total	<u>\$ 182,500</u>		<u>\$ 182,500</u>	

F. Deferred Revenue

Deferred Revenue in the General Fund consists of \$34,000 of delinquent property taxes and interest not collected within sixty (60) days of the balance sheet date as these would not be available to liquidate current liabilities and \$11,711 of fiscal year 2013 taxes received in advance. The revenue will be recognized as delinquent taxes are collected and fiscal year 2012 taxes are billed. Total Deferred Revenue in the General Fund is \$45,711.

Deferred Revenue in the Revolving Loan Fund consists of \$188,000 of loans receivable at June 30, 2012. Total Deferred Revenue in the Revolving Loan Fund is \$188,000.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

G. Long Term Liabilities

The following is a summary of changes in the bonds and notes payable for the year ended June 30, 2012:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Governmental Activities:</u>				
Bond Payable, Vermont Municipal Bond Bank, 1997 Fire Truck, Annual Principal Payments of \$10,000 Due on December 1 through 2012, Various Interest Rates Ranging from 5.15% to 5.25% Due Semi-Annually on June 1 and December 1. The Remaining Balance of \$10,000 Was Paid on October 22, 2012	\$ 20,000	\$ 0	\$ 10,000	\$ 10,000
Bond Payable, Vermont Municipal Bond Bank, 2007 Fire Engine Tanker, Annual Principal Payments of \$30,000 Due November 15 through 2018, Interest Rates Ranging From 2.72% to 4.01% Due Semi-Annually on May 15 And November 15	240,000	0	30,000	210,000
Bond Payable, Vermont Municipal Bond Bank, 2010 Holley Hall/Waterline Improvements, Annual Principal Payments of \$30,000 Due December 1, 2011 through December 1, 2020, Then \$35,000 through December 1, 2030, Interest Rates Ranging from 1.033% To 3.426%, Due Semi-Annually On June 1 and December 1	650,000	0	30,000	620,000

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund (AR1-026), Stormwater Improvements, Annual Principal Payments Ranging from \$25,021.24 to \$36,451.19 Beginning December 1, 2012 Through December 1, 2031, Interest at 0%, Administration Fee at 2.0%	\$ 570,984	\$ 0	\$ 0	\$ 570,984
Bond Anticipation Note, Peoples United Bank, 2011 Holley Hall Improvements, Interest at 1.95%, Matures April 27, 2013. The Town Plans to Renew this Annually and Reduce the Principal by \$10,000 per Year Over the Next Nine (9) Years	<u>100,000</u>	<u>0</u>	<u>10,000</u>	<u>90,000</u>
Total Governmental Activities	<u>1,580,984</u>	<u>0</u>	<u>80,000</u>	<u>1,500,984</u>
<u>Business-Type Activities:</u>				
Bond Payable, Vermont Municipal Bond Bank, 2010 Holley Hall/Waterline Improvements, Annual Principal Payments of \$10,000 Due December 1, 2011 through December 1, 2020, Interest Rates Ranging from 1.033% to 3.42% Due Semi-Annually on June 1 and December 1	\$ 100,000	\$ 0	\$ 10,000	\$ 90,000

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Bond Payable, United States Department of Agriculture Rural Development, Sewer Construction, Interest at 5%, Principal and Interest Payments of \$6,472 Due Semi- Annually on February 2 and August 2, Matures August 2, 2023. This Bond was Refinanced with The Vermont Municipal Bond Bank	\$119,140	\$ 0	\$119,140	\$ 0
Bond Payable, Vermont Municipal Bond Bank, Sewer Construction, Interest at 3.93%, Principal and Interest Payments of \$12,496 Due Semi-Annually on June 1 and December 1, Beginning December 1, 2012, Maturing December 1, 2023.	0	117,760	0	117,760
Bond Payable, United States Department of Agriculture Rural Development, Water Line Construction, Interest at 4.875%, Principal and Interest Payments of \$30,327 Due Semi-Annually on October 2 and April 2, Matures April 2, 2036. This Bond was Refinanced with The Vermont Municipal Bond Bank	869,583	0	869,583	0
Bond Payable, Vermont Municipal Bond Bank, Water Line Construction, Interest at 3.93%, Principal and Interest Payments of \$55,894 Due Semi- Annually on June 1 and December 1, Beginning December 1, 2012, Maturing December 1, 2036	0	869,016	0	869,016

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Note Payable, Peoples United Bank, Water Line Construction, Interest at 2.55%, Matures September 30, 2012. The Town Plans to Renew this Annually and Reduce the Principal by \$15,000 Per Year Over the Next Five (5) Years. The Note was Renewed in September, 2012 with Interest at 2.35% and Maturing on September 27, 2013	\$ <u>75,000</u>	\$ <u>0</u>	\$ <u>15,000</u>	\$ <u>60,000</u>
Total Business-Type Activities	<u>1,163,723</u>	<u>986,776</u>	<u>1,013,723</u>	<u>1,136,776</u>
Total Long-Term Debt	<u>\$2,744,707</u>	<u>\$986,776</u>	<u>\$1,093,723</u>	<u>\$2,637,760</u>

Changes in all long-term liabilities during the year were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 1,480,984	\$ 0	\$ 70,000	\$ 1,410,984	\$ 95,021
Bond Anticipation Note	100,000	0	10,000	90,000	10,000
Compensated Absences	<u>26,029</u>	<u>8,625</u>	<u>0</u>	<u>34,654</u>	<u>0</u>
Total Governmental-type Activities Long-Term Liabilities	<u>\$ 1,607,013</u>	<u>\$ 8,625</u>	<u>\$ 80,000</u>	<u>\$ 1,535,638</u>	<u>\$ 105,021</u>
Business-type Activities					
General Obligation Bonds	\$ 1,088,723	\$ 986,776	\$ 998,723	\$ 1,076,776	\$ 39,611
Bond Anticipation Note	75,000	0	15,000	60,000	15,000
Compensated Absences	494	69	0	563	0
Landfill Estimated Closure and Post Closure Cost	<u>620,000</u>	<u>36,000</u>	<u>0</u>	<u>656,000</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,784,217</u>	<u>\$ 1,022,845</u>	<u>\$ 1,013,723</u>	<u>\$ 1,793,339</u>	<u>\$ 54,611</u>

Bond proceeds in the amount of \$986,776 in the business-type activities were used to refinance older bonds.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Debt service requirements to maturity are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 105,021	\$ 23,818	\$ 54,611	\$ 42,029
2014	95,521	22,267	55,774	40,118
2015	96,032	20,769	56,984	38,321
2016	96,553	19,107	58,241	36,445
2017	97,084	19,789	44,547	34,503
2018-2022	398,764	64,505	223,066	146,419
2023-2027	333,727	38,018	207,627	104,107
2028-2032	278,282	9,592	209,654	65,696
2033-2037	<u>0</u>	<u>0</u>	<u>226,272</u>	<u>17,282</u>
Total	\$ <u>1,500,984</u>	\$ <u>217,865</u>	\$ <u>1,136,776</u>	\$ <u>524,920</u>

H. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The fund balances in the following funds are nonspendable as follows:

Major Funds

Nonspendable General Fund Prepaid Expenses	\$ <u>26,676</u>
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Nonmajor Funds

Nonspendable Martha Parker Fund	<u>17,700</u>
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Total	\$ <u>44,376</u>
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The fund balances in the following funds are restricted as follows:

Major Funds

Restricted for Revolving Loan Fund by Grant Agreement	\$458,656
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Restricted for Police Expenditures by Charter/ State Statute (Source of Revenue is Special Taxes)	<u>33,574</u>
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Total Major Funds	<u>492,230</u>
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Nonmajor Funds

Restricted for Peveril Peake Expenditures by Grant Agreement (Source of Revenue is Grant Revenue)	9,611
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Restricted for Record Restoration Expenditures by Grant Agreements (Source of Revenue is Grant Revenue)	11,412
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Restricted for Recreation Department Expenditures by Donations and Grant Agreements (Source of Revenue is Donations and Grant Revenue)	1,458
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TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Restricted for Town Band Expenditures by Donations (Source of Revenue is Donations)	\$ 17,519
Restricted for Howden Hall Expenditures by Donations And Grant Agreements (Source of Revenue is Donations and Grant Revenue)	33,318
Restricted for Plank Road Expenditures by Donations and Grant Agreements (Source of Revenue is Donations and Grant Revenue)	317
Restricted for Chuck Baser Expenditures by Donations (Source of Revenue is Donations)	4,995
Restricted for Conservation Expenditures by Grant Agreements (Source of Revenue is Grant Revenue)	21,679
Restricted for Bristol Flood Relief Expenditures by Grant Agreements (Source of Revenue is Grant Revenues)	12,800
Restricted for Extended Education Program Expenditures by Grant Agreements (Source of Revenue is Grant Revenues)	8,692
Restricted for Vermont Coalition of Teen Center Expenditures by Grant Agreements (Source of Revenue is Grant Revenues)	1,251
Restricted for Personal Responsibility Education Program Expenditures by Grant Agreement (Source of Revenue is Grant Revenue)	884
Restricted for United Way of Addison County Expenditures by Grant Agreements (Source of Revenue is Grant Revenue)	2,174
Restricted for Holley Hall Expenditures by Grant Agreements (Source of Revenue is Grant Revenue)	2,955
Restricted for Various Other Governmental Funds for Various Purposes by Grant Agreements and Donations (Source of Revenue is Grant Revenue and Donations)	<u>1,258</u>
Total Nonmajor Funds	<u>130,323</u>
Total Restricted Fund Balances	<u>\$622,553</u>

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

The fund balances in the following funds are assigned as follows:

Major Funds:

Capital Equipment Fund - Assigned for Capital Equipment Expenses	\$154,069
Capital Building Fund - Assigned for Capital Building Expenses	74,806
Capital Roads Fund - Assigned for Capital Road Expenses	<u>148,914</u>
Total Major Funds	<u>377,789</u>

Nonmajor Funds:

Assigned for Reappraisal Expenses (Source of Revenue is Grant Revenue)	130,425
Assigned for Tire Agreement Expenses	259
Assigned - Martha Parker Fund Income	625
Assigned for Lister Education Expenses	<u>2,209</u>
Total Nonmajor Funds	<u>133,518</u>
Total Assigned Fund Balances	<u>\$511,307</u>

The Other Governmental Funds unrestricted deficits of \$3,143, \$34,107, \$574, \$31, \$38, \$2,054, \$22,763 and \$5,000 in the Prince Lane VTrans Fund, the Eagle Park Fund, the AmeriCorps Fund, the VCF Fund, the Gardens for Learning Fund, the Agency of Natural Resources Geological Grant Fund, the South Street Bridge Fund, and the Homeland Security Grant Fund, respectively, will be funded with future grant revenue.

I. Net Assets

The restricted net assets in the Governmental Activities includes the \$622,553 restricted fund balance plus the deferred loans receivable of \$188,000 for a total of \$810,553.

The unrestricted deficit of \$139,726 in the Landfill Fund will be funded with future landfill charges.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

V. OTHER INFORMATION

A. RETIREMENT PLANS

All eligible employees of the Town of Bristol are covered under the State of Vermont Municipal Employee's Retirement Plan. The eligible employees are covered by (VMERS) Group C Plan, a defined benefit plan. Under this plan, employees contribute 9.25% of their gross salary and the Town contributes 6.50%. The Town of Bristol pays all costs accrued each year for this plan. The premise of Plan C is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as present value of vested and nonvested plan benefits by municipality are not available. The Town's total payroll was \$770,149 while its covered payroll for this plan was \$634,595. During the year ended June 30, 2012, contributions by the employees and employer were \$58,700 and \$41,249, respectively.

Additional information regarding the State of Vermont Municipal Employees' Retirement System is available upon request from the State of Vermont.

The Town also maintains a Section 457 Deferred Compensation Plan for its employees with a plan year of January 1 through December 31. The 457 Plan covers substantially all employees. The Plan is administered by Vermont State Retirement System with investments held at Orchard Trust. The Town also offers one of its employees a Deferred Compensation Plan through Putnam Investments in accordance with Internal Revenue Code Section 457. The Plans permit employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, or death. The Town has no liability for losses under the plans, but does have the duty of due care that would be required of an ordinary prudent investor.

B. RISK MANAGEMENT

The Town of Bristol is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Bristol maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. (the Fund) covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Bristol except that the Town has an environmental exclusion in their insurance policy in regards to the landfill. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town must remain a member of the Fund for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and rate-setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

TOWN OF BRISTOL, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

In addition, the Town of Bristol was a member of Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide health insurance and wellness programs for Vermont municipalities and is owned by the participating members. The Town is no longer a member of the Trust as of December 31, 2011.

The Town of Bristol self insures itself for unemployment coverage. The Town must pay the Vermont Department of Employment and Training for any paid claims. Unemployment claims for the year ended June 30, 2012 were \$924.

C. LANDFILL ESTIMATED CLOSURE AND POST-CLOSURE COSTS

The Town of Bristol, Vermont operates a municipal landfill. The Town charges user fees to cover the operating costs as well as to provide sufficient funds to pay for the closure and post-closure costs of the landfill.

As required by GASB Statement No. 18, the Town recognizes a proportionate share of the estimated total current cost of the closure and post-closure care as an expense and a liability in each period that the landfill accepts solid waste. The proportionate share of these costs is calculated based on total capacity available, total used, and the estimated costs. The following is an analysis of the calculations utilized in these financial statements:

Estimated current costs of closure and post-closure	\$ <u>1,276,000</u>
Estimated liability for current costs of closure and post-closure at June 30, 2011	\$ 620,000
Current year proportionate share of costs based on estimated capacity used	<u>36,000</u>
Estimated liability for current costs of closure and post-closure at June 30, 2012	\$ <u>656,000</u>

TOWN OF BRISTOL, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

D. PROPERTY TAXES

The Town property tax bills are due in two installments in November and April. The Town bills and collects its own property taxes as well as education property taxes for the State. On August 30 of the current year, unpaid amounts become delinquent. On this day, the Town assesses an 8% penalty on all unpaid amounts. Interest is calculated at 1% for the first (3) months and 1.5% thereafter. The tax rate for 2012 is as follows:

	<u>Non-Residential</u>	<u>Residential</u>
Education	1.6118	1.5176
General	.1728	.1728
Highway	.2264	.2264
Recreation	.0444	.0444
Police	.2650	.2650
Special Articles	.1391	.1391
Local Agreement	<u>.0039</u>	<u>.0039</u>
 Total Tax Rate/per \$100 of Assessed Valuation	 <u>2.4634</u>	 <u>2.3692</u>

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Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards

Selectboard
Town of Bristol
P.O. Box 249
Bristol, Vermont 05443

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Town of Bristol, Vermont as of and for the year ended June 30, 2012, which collectively comprise the Town of Bristol, Vermont's basic financial statements and have issued our report thereon dated April 10, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered the Town of Bristol, Vermont's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bristol, Vermont's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Bristol, Vermont's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Bristol, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency identified as Item 12-1 in the accompanying Schedule of Deficiencies in Internal Control to be a material weakness.

Compliance and Other Matters

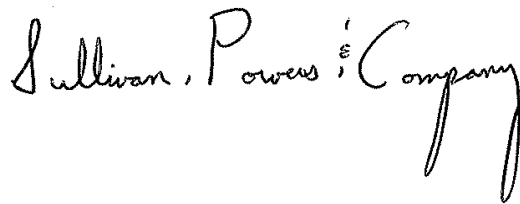
As part of obtaining reasonable assurance about whether the Town of Bristol, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain other matters that we reported to the management of the Town of Bristol, Vermont in a separate letter dated April 10, 2013.

The Town of Bristol, Vermont's response to the deficiency in internal control identified in our audit is included with the accompanying Schedule of Deficiencies in Internal Control. We did not audit the Town of Bristol, Vermont's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Selectboard, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

April 10, 2013
Montpelier, Vermont
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a long, sweeping tail on the word "Company".

TOWN OF BRISTOL, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2012

Deficiencies in Internal Control:

Material Weaknesses:

12-1 Reconciliation of Balance Sheet Accounts and Transfers Between Funds

Criteria:

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

Condition:

Internal controls over reconciling accounts, closing the books and preparing accurate financial reports quarterly and at the end of the fiscal year in a timely manner are inadequately designed. Adjustments had to be made to reconcile Cash, Accounts Receivable, Due To/From Balances, Capital Assets, Accumulated Depreciation, Accounts Payable, Deferred Revenue, Landfill Closure Liability and Transfers.

Cause:

Unknown.

Effect:

Some of the Town's account balances were incorrect.

Recommendation:

We recommend that all balance sheet accounts be reconciled to supporting documentation at least quarterly in order to detect and correct errors. The Town should implement procedures to close their books and prepare accurate financial reports in a timely manner.

Management Response:

The Treasurer's Office will begin developing and implementing additional month and year end closing procedures.