



Bristol Township
Bristol, Pennsylvania
Bucks County

Financial Statements
Year Ended December 31, 2020



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BRISTOL TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

**Township Council
Bristol Township
Bristol, Pennsylvania**

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 Bristol Township, Bristol, Pennsylvania as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Bristol Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bristol Township, Bristol, Pennsylvania, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change In Accounting Principle

As described in Note 14 to the financial statements, the Township adopted new accounting guidance, GASB Statement No. 84, "*Fiduciary Activities*". Our opinions are not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited Bristol Township's 2019 financial statements, and our report dated July 10, 2020 expressed unmodified opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, budgetary comparison schedule – liquid fuels fund, budgetary comparison schedule – refuse fund, the schedules of changes in net pension liability and Township pension contributions and the schedule of changes in OPEB liability on pages 3 through 14 and 52 through 59 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bristol Township, Bristol, Pennsylvania's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, on our consideration of Bristol Township, Bristol, Pennsylvania'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* in considering Bristol Township, Bristol, Pennsylvania's internal control over financial reporting and compliance.

BBD, LLP

**Philadelphia, Pennsylvania
November 8, 2021**

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

Management's discussion and analysis ("**MD&A**") of the financial performance of Bristol Township, Bristol, Pennsylvania (the "**Township**") provides an overview of the Township's financial performance for fiscal year ended December 31, 2020. Readers should also review the basic financial statements and related notes to enhance their understanding of the Township's financial performance.

TOWNSHIP PROFILE

The Township was established in 1692 and is governed by an elected seven-member Council pursuant to the Home Rule and Optional Plans Government Law, 53 Pa.C.S. Section 2901, et seq. The Township is located in Bucks County, Pennsylvania and is second largest municipality in the County. The Township encompasses 17.7 square miles, which includes the geographic areas of Croydon and Edgely, as well as a large part of Levittown. The Township employs approximately 111 employees comprised of 107 full-time and 4 part-time employees.

FINANCIAL HIGHLIGHTS

- * On a government-wide basis including all governmental activities and the business-type activities, the liabilities and deferred inflows of resources of the Township exceeded assets and deferred outflows of resources resulting in a deficit in total net position at the close of the 2020 fiscal year of \$4,450,358. During the 2020 fiscal year, the Township had an increase in total net position of \$4,451,098. The net position of the governmental activities increased by \$4,327,751 and net position of business-type activities increased by \$123,347.
- * As of the close of the 2020 fiscal year, the Township's governmental funds reported combined ending fund balances of \$35,976,583, a decrease of \$221,650 in comparison with the prior year.
- * The General Fund reported an increase in fund balance of \$1,127,105, bringing the cumulative balance to \$7,255,979 or 32.66% of total General Fund expenditures and other financing uses at the conclusion of the 2020 fiscal year.
- * General Fund revenues and other financing sources were \$1,173,356 or 5.29% more than budgeted amounts and General Fund expenditures and other financing uses were \$46,251 or 0.21% more than budgeted amounts as all major uses of funds had positive variances, resulting in a net positive variance of \$1,127,105.
- * In December 2019, an outbreak of a novel strain of coronavirus ("**COVID-19**") was identified and has since spread worldwide including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 14, 2020, Pennsylvania Governor Tom Wolf ordered the closure of the physical location of every "non-essential business" in Bucks County, Pennsylvania for what was an extended period of time resulting in a disruption of the Township services.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The Statement of Net Position (Deficit) presents information on all of the Township's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Township is improving or deteriorating. To assess the Township's overall health, the reader will need to consider additional nonfinancial factors such as changes in the Township's tax base and the condition of the Township's assets.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change 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).

The government-wide financial statements distinguish the functions of the Township that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the Township's activities are divided into two categories:

Governmental Activities

Most of the Township's basic services are included here, such as general administration, public safety, public works, culture and recreation and community development.

Business-type Activities

The Township's business-type activities charge a fee to customers to help cover all or most of the cost of certain services it provides. The Township's wastewater treatment and collection activities are reported as business-type activities.

The government-wide financial statements can be found on pages 15 and 16 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Township's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Most of the Township's basic services are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains seventeen individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for each of the four major funds and the nonmajor governmental funds.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

The Township adopts an annual appropriated budget for its General, Liquid Fuels and Refuse Funds. A budgetary comparison schedule has been provided for the General, Liquid Fuels and Refuse Funds to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 17 through 20 of this report.

Proprietary Funds

The Township maintains one proprietary fund to account for the business-type activities of its Sewer Fund. Proprietary funds account for activity in the same way as other businesses in the private sector world.

The proprietary fund financial statements can be found on pages 21 through 23 of this report.

Fiduciary Funds

The Township is the trustee, or fiduciary, for its Police Pension Plan and certain Custodial Funds. Fiduciary funds are not reflected in the government-wide financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Township has an Escrow Fund and a Police Pension Trust Fund.

The fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on pages 26 through 51 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the General Fund, Liquid Fuels Fund and Refuse Fund and schedules concerning the Township's net pension liability (asset) and pension contributions and changes in its other post-employment benefits liability, as well as additional analysis which consists of combining and individual fund financial statements.

The required supplementary information and additional analysis can be found on pages 52 through 61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the Township's financial condition. At the close of the 2020 fiscal year the Township's liabilities and deferred inflows exceeded assets and deferred outflows by \$4,450,358. The following table presents condensed information for the *Statement of Net Position (Deficit)* of the Township at December 31, 2020 and 2019.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-------------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | | | |
| Current assets | \$ 39,222,584 | \$ 39,759,003 | \$11,022,872 | \$12,088,253 | \$ 50,245,456 | \$ 51,847,256 |
| Noncurrent assets | 62,004,759 | 60,252,955 | 14,200,483 | 13,733,091 | 76,205,242 | 73,986,046 |
| Total assets | <u>101,227,343</u> | <u>100,011,958</u> | <u>25,223,355</u> | <u>25,821,344</u> | <u>126,450,698</u> | <u>125,833,302</u> |
| DEFERRED OUTFLOWS | | | | | | |
| Deferred loss on debt refunding | 2,190,511 | 2,319,364 | - | - | 2,190,511 | 2,319,364 |
| Deferred charges - OPEB | 7,853,836 | 5,420,770 | - | - | 7,853,836 | 5,420,770 |
| Deferred charges - pensions | 51,763 | 269,230 | - | - | 51,763 | 269,230 |
| Total deferred outflows | <u>10,096,110</u> | <u>8,009,364</u> | <u>-</u> | <u>-</u> | <u>10,096,110</u> | <u>8,009,364</u> |
| LIABILITIES | | | | | | |
| Current liabilities | 2,596,445 | 3,036,861 | 791,267 | 939,634 | 3,387,712 | 3,976,495 |
| Noncurrent liabilities | 109,583,107 | 117,148,744 | 13,367,475 | 13,940,444 | 122,950,582 | 131,089,188 |
| Total liabilities | <u>112,179,552</u> | <u>120,185,605</u> | <u>14,158,742</u> | <u>14,880,078</u> | <u>126,338,294</u> | <u>135,065,683</u> |
| DEFERRED INFLOWS | | | | | | |
| Deferred credits - OPEB | 7,872,079 | 4,208,336 | - | - | 7,872,079 | 4,208,336 |
| Deferred credits - pensions | 6,786,793 | 3,470,103 | - | - | 6,786,793 | 3,470,103 |
| Total deferred outflows | <u>14,658,872</u> | <u>7,678,439</u> | <u>-</u> | <u>-</u> | <u>14,658,872</u> | <u>7,678,439</u> |
| NET POSITION (DEFICIT) | | | | | | |
| Net investment in capital assets | 27,450,867 | 27,631,019 | 5,918,617 | 6,797,496 | 33,369,484 | 34,428,515 |
| Restricted | 4,700,986 | 3,984,035 | - | - | 4,700,986 | 3,984,035 |
| Unrestricted (deficit) | (47,666,824) | (51,457,776) | 5,145,996 | 4,143,770 | (42,250,828) | (47,314,006) |
| Total net position (deficit) | <u>\$ (15,514,971)</u> | <u>\$ (19,842,722)</u> | <u>\$11,064,613</u> | <u>\$10,941,266</u> | <u>\$ (4,450,358)</u> | <u>\$ (8,901,456)</u> |

The Township's total assets as of December 31, 2020 were \$126,450,698 of which \$43,747,853 or 34.60% consisted of unrestricted cash and \$76,205,242 or 60.26% consisted of the Township's investment in capital assets. The Township's total liabilities as of December 31, 2020 were \$126,338,294 of which \$55,526,814 or 43.95% consisted of general obligation debt used to acquire and construct capital assets and \$66,218,248 or 52.41% consists of the actuarially determined liability for other post-employment benefits.

The Township had a deficit in unrestricted net position of \$42,250,828 at December 31, 2020. The Township's unrestricted net position increased by \$5,063,178 during 2020 primarily due to the current year results from operations and the change in the net pension liability and related deferred outflows and inflows.

A portion of the Township's net position reflects its restricted net position which totaled \$4,700,986 as of December 31, 2020. All of the Township's restricted net position relate to the net position of the Township's special revenue and capital funds with external constraints imposed by grantors, contributors, or enabling legislation.

The largest portion of the Township's net position reflects its net investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to residents of the Township; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended December 31, 2020, the Township's net investment in capital assets decreased by \$1,059,031 primarily because capital assets were being depreciated faster than long-term debt used to acquire capital assets was being repaid.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

The following table presents condensed information for the *Statement of Activities* of the Township for 2020 and 2019:

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--|----------------------------|---------------------|-----------------------------|------------------|---------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 3,138,515 | \$ 3,072,759 | \$5,158,178 | \$5,081,262 | \$ 8,296,693 | \$ 8,154,021 |
| Operating grants and contributions | 3,366,637 | 3,663,370 | - | - | 3,366,637 | 3,663,370 |
| Capital grants and contributions | 1,273,325 | 952,598 | - | - | 1,273,325 | 952,598 |
| General revenues | | | | | | |
| Taxes | 26,028,955 | 25,815,343 | - | - | 26,028,955 | 25,815,343 |
| Franchise fees | 1,021,954 | 1,058,415 | - | - | 1,021,954 | 1,058,415 |
| Gain on sale of capital assets | 19,216 | 126,852 | - | - | 19,216 | 126,852 |
| Investment earnings | 362,544 | 1,073,996 | 115,663 | 259,306 | 478,207 | 1,333,302 |
| Total revenues | <u>35,211,146</u> | <u>35,763,333</u> | <u>5,273,841</u> | <u>5,340,568</u> | <u>40,484,987</u> | <u>41,103,901</u> |
| EXPENSES | | | | | | |
| General government | 3,372,510 | 2,811,266 | - | - | 3,372,510 | 2,811,266 |
| Public safety | 16,677,767 | 18,873,660 | - | - | 16,677,767 | 18,873,660 |
| Public works | 3,799,738 | 4,299,507 | - | - | 3,799,738 | 4,299,507 |
| Sanitation | 4,965,982 | 4,832,282 | - | - | 4,965,982 | 4,832,282 |
| Culture and recreation | 468,692 | 569,372 | - | - | 468,692 | 569,372 |
| Community development | 279,375 | 318,084 | - | - | 279,375 | 318,084 |
| Interest and amortization expense related to noncurrent liabilities | 1,354,331 | 1,584,120 | - | - | 1,354,331 | 1,584,120 |
| Sewer | - | - | 5,115,494 | 5,297,102 | 5,115,494 | 5,297,102 |
| Total expenses | <u>30,918,395</u> | <u>33,288,291</u> | <u>5,115,494</u> | <u>5,297,102</u> | <u>36,033,889</u> | <u>38,585,393</u> |
| Change in net position (deficit) before transfers | 4,292,751 | 2,475,042 | 158,347 | 43,466 | 4,451,098 | 2,518,508 |
| TRANSFERS | <u>35,000</u> | <u>35,000</u> | <u>(35,000)</u> | <u>(35,000)</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION (DEFICIT) | <u>\$ 4,327,751</u> | <u>\$ 2,510,042</u> | <u>\$ 123,347</u> | <u>\$ 8,466</u> | <u>\$ 4,451,098</u> | <u>2,518,508</u> |

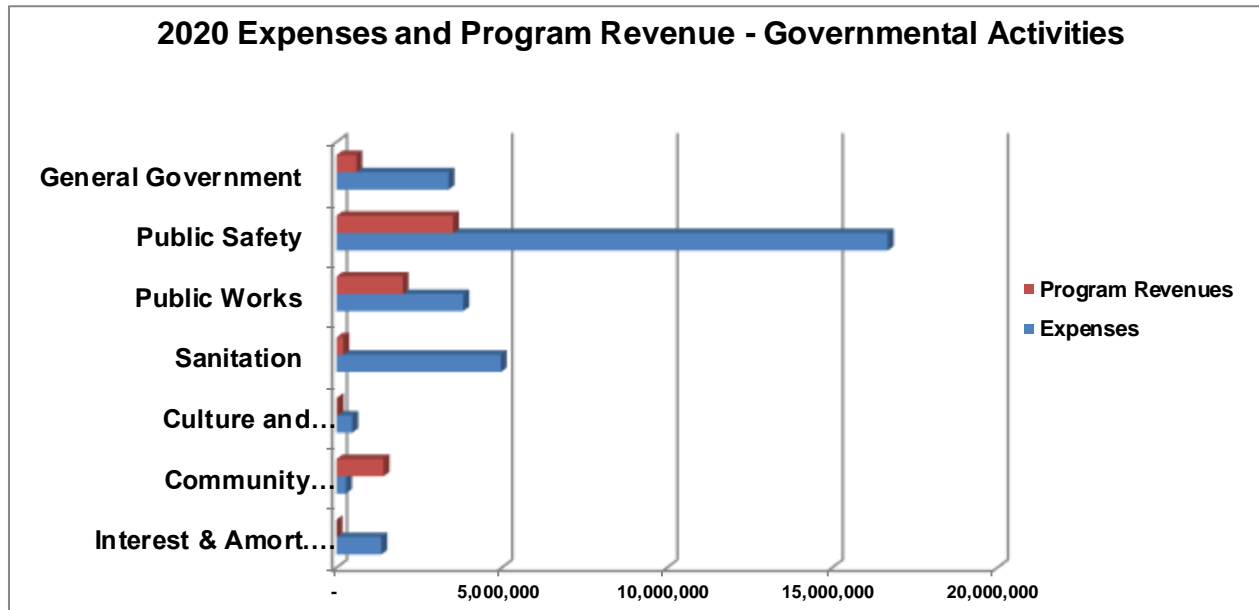
Overall, the Township's financial position has been improving, but challenges such as increased medical costs and pension contributions, rising costs associated with inflation and residential and commercial development and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the Township continues to aggressively implement cost efficiencies and revenue-generating strategies to combat these factors.

The *Statement of Activities* provides detail that focuses on how the Township finances its services. The *Statement of Activities* compares the costs of the Township functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the Township's governmental activities are not self-supporting, raising enough program revenue to cover their costs, as most traditional governmental services are not.

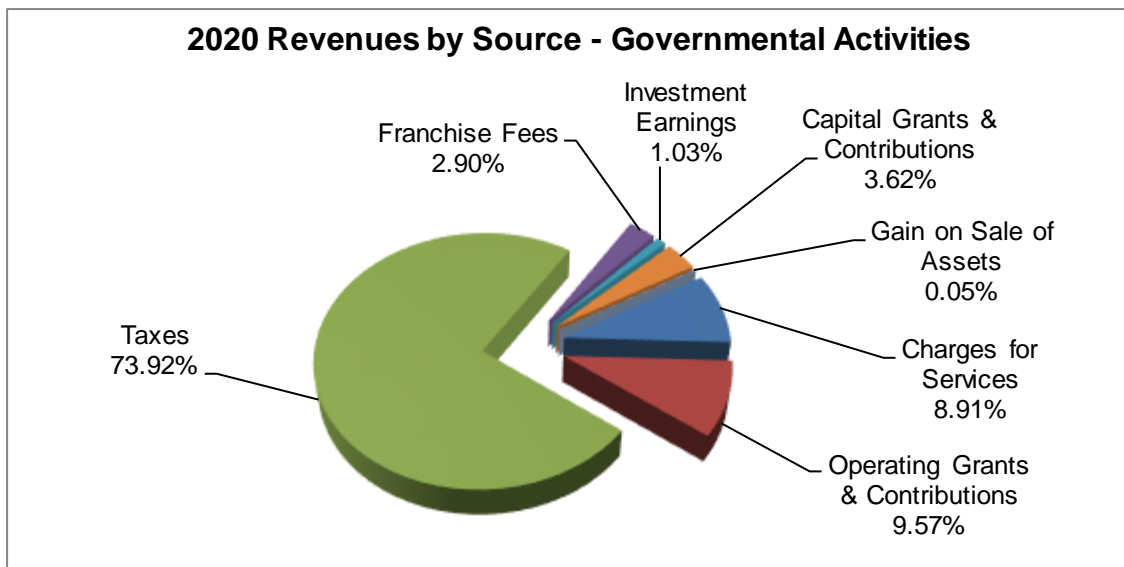
BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020



To the degree that the Township's functions or programs cost more than they raise, the Statement of Activities shows how the Township chose to finance the difference through general revenues. The following chart shows that the Township relies predominantly on tax revenues to finance its governmental activities. Two-thirds of the taxes are property based. These are limited by county dictated assessment rates and the almost fully built out nature of the Township.



GOVERNMENTAL FUNDS

The governmental fund financial statements provide detailed information of the Township's major funds. Some funds are required to be established by State statute while other funds are established by the Township to manage monies restricted for a specific purpose. As of December 31, 2020, the Township's governmental funds reported a combined fund balance of \$35,976,583 which is a decrease of \$221,650 from the prior year. The following table summarizes the Township's total governmental fund balances as of December 31, 2020 and 2019 and the total 2020 change in governmental fund balances.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

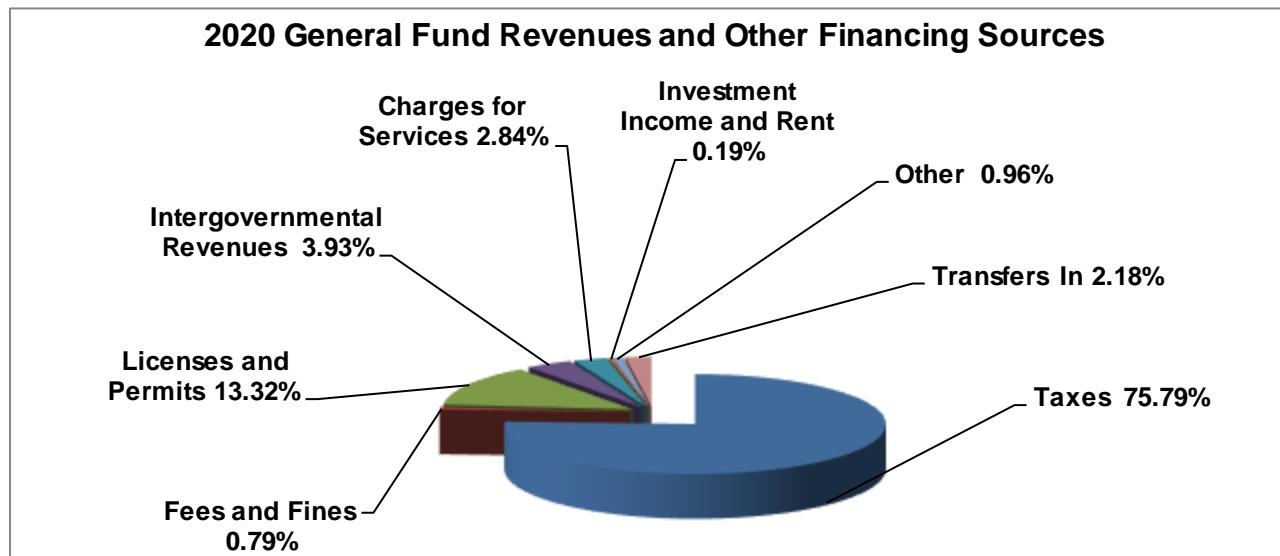
December 31, 2020

| | <u>2020</u> | <u>2019</u> | <u>\$ Change</u> |
|-----------------------------|---------------------|---------------------|---------------------|
| General Fund | \$ 7,255,979 | \$ 6,128,874 | \$ 1,127,105 |
| Capital Reserve Fund | 9,219,422 | 11,891,871 | (2,672,449) |
| Liquid Fuels Fund | 4,387,438 | 3,804,756 | 582,682 |
| Refuse Fund | 3,337,794 | 3,355,904 | (18,110) |
| Debt Service Fund | 9,281,983 | 8,980,081 | 301,902 |
| Nonmajor Governmental Funds | <u>2,493,967</u> | <u>2,036,747</u> | <u>457,220</u> |
| | <u>\$35,976,583</u> | <u>\$36,198,233</u> | <u>\$ (221,650)</u> |

GENERAL FUND

The General Fund is the Township's primary operating fund. At the conclusion of the 2020 fiscal year the General Fund fund balance was \$7,255,979 representing an increase of \$1,127,105 in relation to the prior year. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2020 fiscal year.

The Township's reliance upon tax revenues is demonstrated by the graph below that indicates 75.79% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

| | <u>2020</u> | <u>2019</u> | <u>\$ Change</u> | <u>% Change</u> |
|----------------------------|---------------------|---------------------|-------------------|-----------------|
| Taxes | \$17,693,564 | \$17,581,930 | \$ 111,634 | 0.63 |
| Fees and fines | 184,822 | 196,702 | (11,880) | (6.04) |
| Licenses and permits | 3,107,717 | 2,992,109 | 115,608 | 3.86 |
| Intergovernmental revenues | 918,127 | 924,667 | (6,540) | (0.71) |
| Charges for services | 663,908 | 638,399 | 25,509 | 4.00 |
| Investment income and rent | 44,168 | 181,531 | (137,363) | (75.67) |
| Other | 223,750 | 146,280 | 77,470 | 52.96 |
| Transfers in | <u>510,000</u> | <u>560,000</u> | <u>(50,000)</u> | <u>(8.93)</u> |
| | <u>\$23,346,056</u> | <u>\$23,221,618</u> | <u>\$ 124,438</u> | <u>0.54</u> |

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

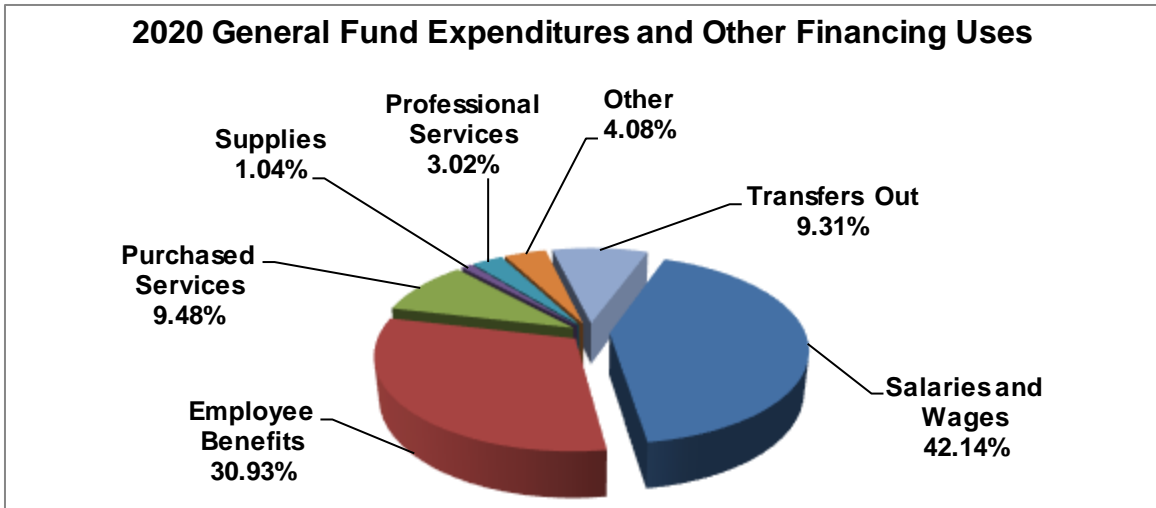
December 31, 2020

Taxes increased by \$111,634 or 0.63% primarily due to an increase in real estate transfer, real estate taxes collected, and mechanical devices taxes received in 2020 compared to 2019. These increases were offset by decreases in income-based taxes (earned income tax; local services tax, et.al) that were impacted by state government mandated shutdowns related to COVID-19. While down in 2020 versus 2019, income-based taxes were not nearly as negatively impacted as contemplated.

Licenses and permits increased by \$115,608 or 3.86% in 2020, mainly as a result of an increase in collections of various fees having to do with home improvements (building, electrical, plumbing).

Investment income decreased substantially as rates decreased precipitously as part of the Federal government's financial response to COVID-19.

As the graph below illustrates, the largest portion of General Fund expenditures is for salaries and benefits. The Township is a service entity and as such is labor intensive.



General Fund Expenditures and Other Financing Uses

| | <u>2020</u> | <u>2019</u> | <u>\$ Change</u> | <u>% Change</u> |
|-----------------------|---------------------|---------------------|--------------------|-----------------|
| Salaries and wages | \$ 9,362,210 | \$ 9,887,054 | \$ (524,844) | (5.31) |
| Employee benefits | 6,872,054 | 6,980,883 | (108,829) | (1.56) |
| Purchased services | 2,106,128 | 2,032,354 | 73,774 | 3.63 |
| Supplies | 231,237 | 306,222 | (74,985) | (24.49) |
| Professional services | 673,069 | 519,508 | 153,561 | 29.56 |
| Other | 906,000 | 907,000 | (1,000) | (0.11) |
| Transfers out | <u>2,068,253</u> | <u>115,710</u> | <u>1,952,543</u> | <u>1687.45</u> |
| | <u>\$22,218,951</u> | <u>\$20,748,731</u> | <u>\$1,470,220</u> | <u>7.09</u> |

Salaries and wages decreased by \$524,844 or 5.31% primarily as a result of (a) attrition of employees who left and were not replaced, (b) a reduction in the amount of overtime used by both police and public works, and (c) a reduction in use and in other cases the elimination of paid time off buyback programs.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

Employee benefits decreased by \$108,829 or 1.56% as a result of below budgeted staffing in the police and public works departments. Increases in medical benefit costs associated with negotiated contracts have, for the moment, have been brought under control because of aggressive pursuit of savings through negotiations between the Township management team with both the unions and the health insurance providers. There was also a 24% decrease in the required minimum municipal obligation for the Township police pension plan as the Township management felt the market gains over the last few years justified a less aggressive funding approach. These reductions were offset substantially by officers both retiring and entering DROP and thus receiving paid time off payouts.

In 2020, transfers out represent the appropriation of annual General Fund excess revenues over expenditures to the Debt Service Fund.

CAPITAL RESERVE FUND

The Capital Reserve Fund accounts for financial resources committed to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment. The Capital Reserve Fund is primarily funded through the issuance of general obligation debt and transfers from the General Fund. During 2020, the Capital Reserve Fund fund balance decreased by \$2,672,449 for a cumulative balance of \$9,219,422 as of December 31, 2020 which is committed for future capital purchases. Fund balance decrease was less than expected as activity for the first eight months of the year was circumscribed by state mandated COVID-19 restrictions. The current year decrease is related to expenditures for planned capital projects.

LIQUID FUELS FUND

The Liquid Fuels Fund accounts for appropriations from the Commonwealth of Pennsylvania Department of Transportation to be used for road improvements, snow and ice removal, and road related capital projects through the Public Works Department. During 2020, the Liquid Fuels Fund fund balance increased by \$582,682 for a cumulative fund balance of \$4,387,438 as of December 31, 2020 which is restricted for road improvement and maintenance expenditures.

REFUSE FUND

The Refuse Fund accounts for expenditures related to the collections and disposal of refuse within the Township. The Refuse Fund is primarily funded through property taxes. During 2020, the Refuse Fund fund balance decreased by \$18,110 for a cumulative balance of \$3,337,794 as of December 31, 2020 which is committed for future sanitation costs. The decrease is due to the decrease of general interest rates and delinquent collections created by macroeconomic forces related to the state and federal government response to the self-created COVID-19 panic.

DEBT SERVICE FUND

The Debt Service Fund accounts for the interest and principal payments due on the Township's outstanding general obligation debt. Taxes are levied and transfers are made during the year from the General Fund to finance debt service payments as they become due. As of December 31, 2020, the Debt Service Fund reported a fund balance of \$9,281,983 which is an increase of \$301,902 from the prior year. This was due to council approved fund balance transfer of two million dollars to extend the life of the fund by one year.

NONMAJOR GOVERNMENTAL FUNDS

The Nonmajor Governmental Funds consist of special revenue funds and capital projects funds. Special revenue funds are maintained to account for the proceeds of specific revenue sources that are to be expended for specified purposes. The nonmajor special revenue funds include the Fire Fund, the Rescue Fund, the Parks and Recreation Operating Fund, the Grant Fund, the DEA Fund, the Community Development Fund, the Home Partnership Fund, the Street Lights Fund, the Education Service Agency Fund and the Blighted Properties Fund. The nonmajor capital projects funds include the Parks and Recreation Capital Reserve and the Curb and Sidewalk Fund. Major revenue sources for these funds include taxes, intergovernmental revenues and charges for services. During 2020, the Nonmajor Governmental Funds fund balance increased by \$457,220 for a cumulative balance of \$2,493,967 as of December 31, 2020. More detailed information regarding the nonmajor governmental funds can be found in the combining and individual fund financial statements on pages 60 and 61.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

GENERAL FUND BUDGET INFORMATION

The Township maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The Township budgets and expends funds according to procedures mandated by the 1st Class Township code of the Commonwealth of Pennsylvania. An annual operating budget is prepared by management and submitted to the Township Council for approval prior to the beginning of the fiscal year on January 1 each year. The most significant budgeted fund is the General Fund.

More detailed information regarding the General Fund budget can be found in the Budgetary Comparison Schedule – General Fund on page 52. The Budgetary Comparison Schedule – General Fund shows the original budget, final budget and actual revenues, expenditures and other financing sources for the fiscal year. There were no differences between the original and final budgets.

General Fund revenues and other financing sources were \$1,173,356 or 5.29% more than budgeted amounts and General Fund expenditures and other financing uses were \$46,251 or 0.21% more than budgeted amounts resulting in a net positive variance of \$1,127,105.

Real estate transfer and earned income tax collections were \$685,994 and \$335,345, respectively, more than budgeted amounts, which is an indicator of an improving economy in the local community.

Expenditures were \$1,907,102 less than budgeted amounts due to less than anticipated expenditures in part due to disruptions caused by COVID-19 resulting less demand for services and delays in hiring and completion of planned projects.

BUSINESS-TYPE ACTIVITIES AND SEWER FUND

The business-type activities and Sewer Fund of the Township include its sewer operations. The Township provides for wastewater collection and treatment to most of the non-Levittown sections of the Township. The collection system consists of approximately 60 miles of sewers and 18 pumping stations. The wastewater treatment plant is located in Croydon and maintained by a third-party contractor. The Township Council establishes the rates charged to the users of the sewerage system. Charges for services represent the principal revenue source for the Township's business-type activities.

The net position of the Township's business-type activities and Sewer Fund increased by \$123,347 during 2020. The net position of the business-type activities and Sewer Fund totaled \$11,064,613 as of December 31, 2020.

CAPITAL ASSETS

The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounted to \$76,205,242, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, infrastructure, and machinery and equipment. The total net increase in the Township's investment in capital assets for 2020 was \$2,219,196 or 3.00%. The increase was the result of current year capital additions in excess of depreciation.

Current year capital additions were \$5,337,312 and depreciation expense was \$3,118,116.

Major capital additions for the current fiscal year included the following:

| | |
|---|-------------|
| Governmental activities: | |
| General government equipment | \$ 79,319 |
| Public works equipment | \$ 739,393 |
| Curb ramp projects | \$ 676,778 |
| Municipal Complex Park project – construction in progress | \$ 298,909 |
| Road paving projects | \$1,899,795 |
| Traffic light projects | \$ 626,934 |

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

Business-type activities:

| | |
|--|------------|
| Waste water treatment plant project – construction in progress | \$ 220,541 |
| Croydon Acres Project – construction in progress | \$ 349,099 |
| Lateral project – construction in progress | \$ 210,622 |

NONCURRENT LIABILITIES

As of December 31, 2020, the Township had total general obligation debt of \$55,526,814 consisting of \$42,073,820 in bonds and notes payable, \$13,325,180 in sewer bonds and notes payable and \$127,814 in bond premiums. The entire amount is backed by the full faith and credit of the Township. General obligation debt was primarily issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The total net decrease in the Township's general obligation debt for the current fiscal year was \$2,924,864 or 5.00%.

During 2020, the Township issued General Obligation Notes, Series of 2020, in the amount of \$8,790,000, the proceeds from which were used to refund the General Obligation Bonds, Series of 2015.

The Township reports its defined benefit unfunded net pension liability (asset) and its liability for postemployment benefits on its Statement of Net Position (Deficit). The Township's unfunded net pension liability (asset) and net liability for post-employment benefits are actuarially determined liabilities totaled \$(1,918,083) and \$66,218,248, respectively, as of December 31, 2020. These liabilities decreased by \$5,135,335 or 7.40% during current year.

Other noncurrent liabilities consist of the Township's liability for compensated absences.

FACTORS BEARING ON THE TOWNSHIP'S FUTURE

The Township Council and administration has adopted ordinances and policies aimed at creating jobs and expanding the tax base while removing barriers to investing in Bristol Township. These actions to stimulate economic development have had a direct impact on increasing revenues such as the earned income, real estate transfer, local services, and mercantile taxes. However, the Township has lost some \$1,310,000 from neighboring municipalities enacting earned income tax ordinances. The Township is also, as all municipalities are, affected by the economy at large and the decided upturn in the economy has helped the Township in the fact they are collecting more earned income taxes (despite enactment s of earned income ordinances in other municipalities) and increased home values which equates to increased amounts from real estate transfer taxes. This being said Township governance is always looking for ways, through holding the line on taxes and streamlining processes, to encourage businesses to relocate to and ultimately prosper in the Bristol Township. As of the last fiscal audit there was substantial uncertainty as to the effects attendant to the reaction to COVID-19. Results indicate that income was only mildly affected as revenue from all external sources actually increased by \$174,441 (there was a budgeted decrease of \$50,000 into the general from another fund). Income based taxes such as earned income taxes, local service taxes and mercantile taxes showed were off 0.65%, 8.20% and 0.38% year on year. This was a much better result than the predictions.

Unemployment in Bristol Township always exceeds the county-wide unemployment rate (7.40% Township vs 5.30% County at December 2020). In addition, the median household income is also lower than the county-wide figure (\$65,384 Township vs \$89,139 County). For these reasons, economic factors tend to have a greater impact on Bristol Township than they do in surrounding communities.

The Township adopted a balanced 2021 General Fund budget totaling \$22,253,600 and the real estate tax millage rage remained unchanged at 23.98 mills.

Township employees are represented by three labor unions and a total of six collective bargaining agreements that establish labor costs for all but thirteen full-time employees. In particular, post-retirement healthcare and pension costs have become burdensome to maintain, although some progress has been made in the latest rounds of union negotiations. The Township has agreements with its collective bargaining units to provide wage and benefit levels that are financially responsible and sustainable. In December 2020, the Township approved a new four-year collective bargaining agreement with the police union, which significantly aids in the reduction of the unfunded post-retirement healthcare liabilities.

BRISTOL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2020

The Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.

Collection of the earned income tax is a good indicator of local economic conditions. For 2020, the Township's collection of this tax was \$6,935,346, a decrease of \$45,283 or 0.65% from the prior year. There was concern that there would be a substantial impairment of this source due to COVID-19. Fortunately that impairment did not materialize as income from that source was only down minimally. There is still uncertainty about the lingering effects of state and federally mandated restrictions on the ability of taxpayers to meet their obligations and concomitantly their tax liabilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Manager, Bristol Township, 2501 Bath Road, Bristol, PA 19007.

BRISTOL TOWNSHIP

STATEMENT OF NET POSITION (DEFICIT)

December 31, 2020 with summarized comparative totals for 2019

| | Governmental Activities | Business-type Activities | Totals | |
|--|----------------------------|-----------------------------|-----------------------|-----------------------|
| | | | 2020 | 2019 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| CURRENT ASSETS | | | | |
| Cash | \$ 34,047,000 | \$ 9,700,853 | \$ 43,747,853 | \$ 45,894,443 |
| Restricted cash | 208,929 | 110,268 | 319,197 | 335,197 |
| Taxes receivable, net | 2,676,168 | - | 2,676,168 | 2,679,579 |
| Accounts receivable, net | 1,525,076 | 1,211,751 | 2,736,827 | 2,456,746 |
| Due from other governments | 758,324 | - | 758,324 | 352,087 |
| Prepaid expenses | 7,087 | - | 7,087 | 129,204 |
| Total current assets | 39,222,584 | 11,022,872 | 50,245,456 | 51,847,256 |
| NONCURRENT ASSETS | | | | |
| Capital assets, net | 62,004,759 | 14,200,483 | 76,205,242 | 73,986,046 |
| Total assets | 101,227,343 | 25,223,355 | 126,450,698 | 125,833,302 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred loss on refunding of debt | 2,190,511 | - | 2,190,511 | 2,319,364 |
| Deferred charges - OPEB | 7,853,836 | - | 7,853,836 | 5,420,770 |
| Deferred charges - pensions | 51,763 | - | 51,763 | 269,230 |
| Total deferred outflows of resources | 10,096,110 | - | 10,096,110 | 8,009,364 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT) | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | 979,679 | 565,552 | 1,545,231 | 1,608,611 |
| Unearned revenue | 1,210,853 | 115,447 | 1,326,300 | 1,117,119 |
| Accrued expenses | 101,095 | - | 101,095 | 662,043 |
| Escheat liability | 208,929 | 5,652 | 214,581 | 239,581 |
| Escrow deposits | - | 104,616 | 104,616 | 95,616 |
| Accrued interest payable | 95,889 | - | 95,889 | 253,525 |
| Total current liabilities | 2,596,445 | 791,267 | 3,387,712 | 3,976,495 |
| NONCURRENT LIABILITIES | | | | |
| Due within one year | 2,600,277 | 663,587 | 3,263,864 | 3,139,864 |
| Due in more than one year | 106,982,830 | 12,703,888 | 119,686,718 | 127,949,324 |
| Total noncurrent liabilities | 109,583,107 | 13,367,475 | 122,950,582 | 131,089,188 |
| Total liabilities | 112,179,552 | 14,158,742 | 126,338,294 | 135,065,683 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred credits - OPEB | 7,872,079 | - | 7,872,079 | 4,208,336 |
| Deferred credits - pensions | 6,786,793 | - | 6,786,793 | 3,470,103 |
| Total deferred inflows of resources | 14,658,872 | - | 14,658,872 | 7,678,439 |
| NET POSITION (DEFICIT) | | | | |
| Net investment in capital assets | 27,450,867 | 5,918,617 | 33,369,484 | 34,428,515 |
| Restricted | 4,700,986 | - | 4,700,986 | 3,984,035 |
| Unrestricted (deficit) | (47,666,824) | 5,145,996 | (42,520,828) | (47,314,006) |
| Total net position (deficit) | \$ (15,514,971) | \$ 11,064,613 | \$ (4,450,358) | \$ (8,901,456) |

See accompanying notes

BRISTOL TOWNSHIP

STATEMENT OF ACTIVITIES

Year ended December 31, 2020 with summarized comparative totals for 2019

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position (Deficit) | | | |
|--|----------------------|----------------------------|--|--|--|-----------------------------|-----------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Totals | |
| | | | | | | | 2020 | 2019 |
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| General government | \$ 3,372,510 | \$ 544,060 | \$ 54,306 | \$ - | \$ (2,774,144) | \$ - | \$ (2,774,144) | \$ (2,260,258) |
| Public safety | 16,677,767 | 2,530,376 | 992,410 | - | (13,154,981) | - | (13,154,981) | (15,423,780) |
| Public works | 3,799,738 | 41,525 | 1,677,931 | 279,429 | (1,800,853) | - | (1,800,853) | (1,933,786) |
| Sanitation | 4,965,982 | - | 204,194 | - | (4,761,788) | - | (4,761,788) | (4,441,711) |
| Culture and recreation | 468,692 | 22,554 | 13,743 | - | (432,395) | - | (432,395) | (462,155) |
| Community development | 279,375 | - | 424,053 | 993,896 | 1,138,574 | - | 1,138,574 | 506,246 |
| Interest and amortization expense related to noncurrent liabilities | 1,354,331 | - | - | - | (1,354,331) | - | (1,354,331) | (1,584,120) |
| Total governmental activities | <u>30,918,395</u> | <u>3,138,515</u> | <u>3,366,637</u> | <u>1,273,325</u> | <u>(23,139,918)</u> | <u>-</u> | <u>(23,139,918)</u> | <u>(25,599,564)</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | |
| Sewer | 5,115,494 | 5,158,178 | - | - | - | 42,684 | 42,684 | (215,840) |
| Total primary government | <u>\$ 36,033,889</u> | <u>\$ 8,296,693</u> | <u>\$ 3,366,637</u> | <u>\$ 1,273,325</u> | <u>(23,139,918)</u> | <u>42,684</u> | <u>(23,097,234)</u> | <u>(25,815,404)</u> |
| GENERAL REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Real estate taxes | | | | | 15,853,619 | - | 15,853,619 | 15,719,220 |
| Real estate transfer taxes | | | | | 1,735,994 | - | 1,735,994 | 1,531,047 |
| Earned income taxes | | | | | 6,935,346 | - | 6,935,346 | 6,980,629 |
| Other taxes | | | | | 1,503,996 | - | 1,503,996 | 1,584,447 |
| Franchise fees | | | | | 1,021,954 | - | 1,021,954 | 1,058,415 |
| Investment earnings | | | | | 362,544 | 115,663 | 478,207 | 1,333,302 |
| Gain on the sale of capital assets | | | | | 19,216 | - | 19,216 | 126,852 |
| TRANSFERS | | | | | <u>35,000</u> | <u>(35,000)</u> | <u>-</u> | <u>-</u> |
| Total general revenues and transfers | | | | | <u>27,467,669</u> | <u>80,663</u> | <u>27,548,332</u> | <u>28,333,912</u> |
| CHANGE IN NET POSITION (DEFICIT) | | | | | 4,327,751 | 123,347 | 4,451,098 | 2,518,508 |
| NET POSITION (DEFICIT) | | | | | | | | |
| Beginning of year | | | | | (19,842,722) | 10,941,266 | (8,901,456) | (11,419,964) |
| End of year | | | | | <u>\$ (15,514,971)</u> | <u>\$ 11,064,613</u> | <u>\$ (4,450,358)</u> | <u>\$ (8,901,456)</u> |

See accompanying notes

BRISTOL TOWNSHIP

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020 with summarized comparative totals for 2019

| | Major Funds | | | | | | Totals | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | General | Capital | Liquid | Refuse | Debt | Nonmajor | | |
| | Fund | Reserve | Fuels | Fund | Service | Governmental | 2020 | 2019 |
| ASSETS | | | | | | | | |
| Cash | \$ 5,493,964 | \$ 8,618,797 | \$ 4,391,742 | \$ 3,543,514 | \$ 9,281,030 | \$ 2,717,953 | \$ 34,047,000 | \$ 34,975,703 |
| Restricted cash | 208,929 | - | - | - | - | - | 208,929 | 233,929 |
| Taxes receivable, net | 2,303,494 | - | - | 221,602 | 51,779 | 99,293 | 2,676,168 | 2,679,579 |
| Accounts receivable, net | 991,805 | - | - | 446,429 | - | 86,842 | 1,525,076 | 1,412,322 |
| Due from other funds | - | 498,386 | - | - | - | - | 498,386 | 286,142 |
| Due from other governments | - | 166,722 | - | 198,423 | - | 393,179 | 758,324 | 352,087 |
| Prepaid items | 7,087 | - | - | - | - | - | 7,087 | 126,643 |
| Total assets | \$ 9,005,279 | \$ 9,283,905 | \$ 4,391,742 | \$ 4,409,968 | \$ 9,332,809 | \$ 3,297,267 | \$ 39,720,970 | \$ 40,066,405 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ 355,606 | \$ 64,483 | \$ 4,304 | \$ 404,153 | \$ - | \$ 151,133 | \$ 979,679 | \$ 913,933 |
| Due to other funds | 31,472 | - | - | - | - | 466,914 | 498,386 | 307,402 |
| Unearned revenue | 677,122 | - | - | 446,429 | - | 87,302 | 1,210,853 | 1,029,672 |
| Accrued expenses | 101,095 | - | - | - | - | - | 101,095 | 662,043 |
| Escheat liability | 208,929 | - | - | - | - | - | 208,929 | 233,929 |
| Total liabilities | 1,374,224 | 64,483 | 4,304 | 850,582 | - | 705,349 | 2,998,942 | 3,146,979 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenues - property taxes | 375,076 | - | - | 221,592 | 50,826 | 97,951 | 745,445 | 721,193 |
| FUND BALANCES | | | | | | | | |
| Nonspendable | | | | | | | | |
| Prepaid items | 7,087 | - | - | - | - | - | 7,087 | 126,643 |
| Restricted for | | | | | | | | |
| Communications | - | - | - | - | - | 45,780 | 45,780 | 46,957 |
| Law enforcement | - | - | - | - | - | 37,248 | 37,248 | 36,778 |
| Road improvements and maintenance | - | - | 4,387,438 | - | - | - | 4,387,438 | 3,804,756 |
| Community development | - | - | - | - | - | 229,522 | 229,522 | 95,544 |
| Public safety | - | - | - | - | - | 998 | 998 | - |
| Committed for | | | | | | | | |
| Capital projects | - | 9,219,422 | - | - | - | 45,643 | 9,265,065 | 11,937,240 |
| Sanitation | - | - | - | 3,337,794 | - | - | 3,337,794 | 3,355,904 |
| Parks and recreation | - | - | - | - | - | 1,311,558 | 1,311,558 | 1,240,613 |
| Street lights | - | - | - | - | - | 343,933 | 343,933 | 345,746 |
| Public safety | - | - | - | - | - | 61,787 | 61,787 | 38,313 |
| Debt service | - | - | - | - | 9,281,983 | - | 9,281,983 | 8,980,081 |
| Blighted properties | - | - | - | - | - | 417,498 | 417,498 | 187,427 |
| Unassigned | 7,248,892 | - | - | - | - | - | 7,248,892 | 6,002,231 |
| Total fund balances | 7,255,979 | 9,219,422 | 4,387,438 | 3,337,794 | 9,281,983 | 2,493,967 | 35,976,583 | 36,198,233 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 9,005,279 | \$ 9,283,905 | \$ 4,391,742 | \$ 4,409,968 | \$ 9,332,809 | \$ 3,297,267 | \$ 39,720,970 | \$ 40,066,405 |

See accompanying notes

BRISTOL TOWNSHIP

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT)
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)**

December 31, 2020

| | |
|--|-------------------------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$ 35,976,583 |
| <p>Amounts reported for governmental activities in the statement of net position (deficit) are different because:</p> | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. | 62,004,759 |
| Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the governmental funds balance sheet. | 2,190,511 |
| Some of the Township's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources on the governmental funds balance sheet. | 745,445 |
| Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported as assets and liabilities in the governmental funds balance sheet. | (6,753,273) |
| Accrued interest payable on long-term liabilities is included in the government-wide statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable. | (95,889) |
| Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet. | <u>(109,583,107)</u> |
| NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES | <u>\$ (15,514,971)</u> |

BRISTOL TOWNSHIP

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

Year ended December 31, 2020 with summarized comparative totals for 2019

| | Major Funds | | | | | | Totals | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | General | Capital | Liquid | Refuse | Debt | Nonmajor | 2020 | 2019 |
| | Fund | Reserve | Fuels | Fund | Service | Governmental | | |
| REVENUES | | | | | | | | |
| Taxes | \$ 17,693,564 | \$ - | \$ - | \$ 5,164,388 | \$ 1,021,760 | \$ 1,946,025 | \$ 25,825,737 | \$ 25,710,921 |
| Fees and fines | 184,822 | - | - | - | - | - | 184,822 | 196,702 |
| Licenses and permits | 3,107,717 | - | - | - | - | - | 3,107,717 | 2,992,109 |
| Intergovernmental revenues | 918,127 | 993,896 | 1,613,671 | 198,423 | - | 916,613 | 4,640,730 | 4,588,785 |
| Charges for services | 663,908 | - | - | - | - | 109,854 | 773,762 | 841,480 |
| Investment income and rent | 44,168 | 113,836 | 49,509 | 37,952 | 93,857 | 23,224 | 362,546 | 1,073,993 |
| Miscellaneous | 223,750 | 4,912 | - | - | - | 211,446 | 440,108 | 398,953 |
| Total revenues | 22,836,056 | 1,112,644 | 1,663,180 | 5,400,763 | 1,115,617 | 3,207,162 | 35,335,422 | 35,802,943 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| General government | 2,768,665 | 79,319 | - | - | 3,000 | - | 2,850,984 | 2,636,421 |
| Public safety | 14,896,414 | 245,486 | - | - | - | 1,547,302 | 16,689,202 | 17,492,631 |
| Public works | 1,579,619 | 3,056,714 | 1,080,498 | - | - | 801,080 | 6,517,911 | 13,764,587 |
| Community development | - | - | - | - | - | 282,702 | 282,702 | 346,293 |
| Sanitation | - | - | - | 4,968,873 | - | - | 4,968,873 | 4,822,569 |
| Culture and recreation | - | - | - | - | - | 572,111 | 572,111 | 1,021,724 |
| Debt service | 906,000 | - | - | - | 2,961,215 | - | 3,867,215 | 3,973,825 |
| Capital outlay | - | 12,790 | - | - | - | - | 12,790 | - |
| Total expenditures | 20,150,698 | 3,394,309 | 1,080,498 | 4,968,873 | 2,964,215 | 3,203,195 | 35,761,788 | 44,058,050 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,685,358 | (2,281,665) | 582,682 | 431,890 | (1,848,598) | 3,967 | (426,366) | (8,255,107) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Proceeds from issuance of debt | - | - | - | - | 6,153,000 | - | 6,153,000 | 5,062,550 |
| Payment of debt - refunding | - | - | - | - | (6,002,500) | - | (6,002,500) | (4,936,618) |
| Proceeds from sale of assets | - | 19,216 | - | - | - | - | 19,216 | 126,852 |
| Transfers in | 510,000 | - | - | - | 2,000,000 | 488,253 | 2,998,253 | 675,710 |
| Transfers out | (2,068,253) | (410,000) | - | (450,000) | - | (35,000) | (2,963,253) | (640,710) |
| Total other financing sources (uses) | (1,558,253) | (390,784) | - | (450,000) | 2,150,500 | 453,253 | 204,716 | 287,784 |
| NET CHANGE IN FUND BALANCES | 1,127,105 | (2,672,449) | 582,682 | (18,110) | 301,902 | 457,220 | (221,650) | (7,967,323) |
| FUND BALANCES | | | | | | | | |
| Beginning of year | 6,128,874 | 11,891,871 | 3,804,756 | 3,355,904 | 8,980,081 | 2,036,747 | 36,198,233 | 44,165,556 |
| End of year | \$ 7,255,979 | \$ 9,219,422 | \$ 4,387,438 | \$ 3,337,794 | \$ 9,281,983 | \$ 2,493,967 | \$ 35,976,583 | \$ 36,198,233 |

See accompanying notes

BRISTOL TOWNSHIP

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES

Year ended December 31, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (221,650)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

| | | |
|-----------------------------|--------------------|-----------|
| Capital outlay expenditures | \$ 4,339,307 | |
| Depreciation expense | <u>(2,587,503)</u> | 1,751,804 |

Because some tax will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.

| | | |
|---|----------------|--------|
| Deferred inflows of resources December 31, 2019 | (721,193) | |
| Deferred inflows of resources December 31, 2020 | <u>745,445</u> | 24,252 |

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

| | | |
|---|------------------|-----------|
| Issuance of debt | (6,153,000) | |
| Repayment of bonds and notes payable | 8,500,230 | |
| Amortization of premiums and deferred amounts on debt refunding | <u>(124,006)</u> | 2,223,224 |

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

| | | |
|---|------------------|----------------|
| Current year change in compensated absences | 78,225 | |
| Current year change in accrued interest payable | 101,395 | |
| Change in OPEB liability and related deferred inflows and outflows | (1,992,588) | |
| Change in net pension liability and related deferred inflows and outflows | <u>2,363,089</u> | <u>550,121</u> |

CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES **\$ 4,327,751**

BRISTOL TOWNSHIP**STATEMENT OF NET POSITION - PROPRIETARY FUND**

December 31, 2020 with summarized comparative totals for 2019

| | Sewer Fund | |
|---|-----------------------------|-----------------------------|
| | <u>2020</u> | <u>2019</u> |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 9,700,853 | \$ 10,918,740 |
| Restricted cash | 110,268 | 101,268 |
| Accounts receivable, net | 1,211,751 | 1,044,424 |
| Due from other funds | - | 21,260 |
| Prepaid expenses and other assets | - | 2,561 |
| Total current assets | <u>11,022,872</u> | <u>12,088,253</u> |
| NONCURRENT ASSETS | | |
| Capital assets, net | <u>14,200,483</u> | <u>13,733,091</u> |
| Total assets | <u>25,223,355</u> | <u>25,821,344</u> |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Current portion of sewer bonds and notes payable | 663,587 | 637,287 |
| Accounts payable | 565,552 | 694,678 |
| Unearned revenue | 115,447 | 87,447 |
| Escheat liability | 5,652 | 5,652 |
| Escrow deposits | 104,616 | 95,616 |
| Accrued interest payable | - | 56,241 |
| Total current liabilities | <u>1,454,854</u> | <u>1,576,921</u> |
| NONCURRENT LIABILITIES | | |
| Sewer bonds and notes payable, net of current portion | 12,699,221 | 13,298,308 |
| Compensated absences | <u>4,667</u> | <u>4,849</u> |
| Total noncurrent liabilities | <u>12,703,888</u> | <u>13,303,157</u> |
| Total liabilities | <u>14,158,742</u> | <u>14,880,078</u> |
| NET POSITION | | |
| Net investment in capital assets | 5,918,617 | 6,797,496 |
| Unrestricted | <u>5,145,996</u> | <u>4,143,770</u> |
| Total net position | <u>\$ 11,064,613</u> | <u>\$ 10,941,266</u> |

See accompanying notes

BRISTOL TOWNSHIP

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

Year ended December 31, 2020 with summarized comparative totals for 2019

| | <u>Sewer Fund</u> | |
|---|----------------------|----------------------|
| | <u>2020</u> | <u>2019</u> |
| OPERATING REVENUES | | |
| Charges for services | \$ 4,806,891 | \$ 4,783,113 |
| Penalties and interest | 229,123 | 234,741 |
| Other revenues | <u>122,164</u> | <u>63,408</u> |
| Total operating revenues | <u>5,158,178</u> | <u>5,081,262</u> |
| | | |
| OPERATING EXPENSES | | |
| Administrative | 434,792 | 441,268 |
| Cost of sales and services | 3,753,482 | 3,850,287 |
| Depreciation | <u>530,613</u> | <u>516,230</u> |
| Total operating expenses | <u>4,718,887</u> | <u>4,807,785</u> |
| | | |
| Operating income | <u>439,291</u> | <u>273,477</u> |
| | | |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest and investment revenue | 115,663 | 259,306 |
| Amortization of bond premiums | 2,017 | 2,018 |
| Interest expense | <u>(398,624)</u> | <u>(491,335)</u> |
| Total nonoperating revenues (expenses) | <u>(280,944)</u> | <u>(230,011)</u> |
| | | |
| Income before transfers | 158,347 | 43,466 |
| | | |
| TRANSFERS OUT | <u>(35,000)</u> | <u>(35,000)</u> |
| | | |
| Change in net position | 123,347 | 8,466 |
| | | |
| NET POSITION | | |
| Beginning of year | <u>10,941,266</u> | <u>10,932,800</u> |
| | | |
| End of year | <u>\$ 11,064,613</u> | <u>\$ 10,941,266</u> |

See accompanying notes

BRISTOL TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year ended December 31, 2020 with summarized comparative totals for 2019

| | <u>Sewer Fund</u> | |
|---|---------------------|----------------------|
| | <u>2020</u> | <u>2019</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 5,042,672 | \$ 5,086,777 |
| Cash paid to employees | (258,533) | (274,716) |
| Cash paid to suppliers | <u>(4,050,049)</u> | <u>(3,982,384)</u> |
| Net cash provided by operating activities | <u>734,090</u> | <u>829,677</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers to other funds | <u>(35,000)</u> | <u>(35,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition, construction and improvements of capital assets | (998,005) | (902,956) |
| Bonds and notes payable principal repayments | (3,207,770) | (7,748,357) |
| Issuance of debt | 2,637,000 | 7,377,450 |
| Interest paid on bonds and notes payable | <u>(454,865)</u> | <u>(491,335)</u> |
| Net cash used for capital and related financing activities | <u>(2,023,640)</u> | <u>(1,765,198)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale (purchase) of investments | - | 3,030,459 |
| Earnings on investments | <u>115,663</u> | <u>259,306</u> |
| Net cash provided by investing activities | <u>115,663</u> | <u>3,289,765</u> |
| Net increase (decrease) in cash | (1,208,887) | 2,319,244 |
| CASH | | |
| Beginning of year | <u>11,020,008</u> | <u>8,700,764</u> |
| End of year | <u>\$ 9,811,121</u> | <u>\$ 11,020,008</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | |
| Operating income | \$ 439,291 | \$ 273,477 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation | 530,613 | 516,230 |
| (Increase) decrease in | | |
| Accounts receivable, net | (167,327) | (23,424) |
| Due from other funds | 21,260 | - |
| Prepaid expenses and other assets | 2,561 | (2,561) |
| Increase (decrease) in | | |
| Accounts payable | (129,126) | 32,332 |
| Compensated absences | (182) | (377) |
| Unearned revenue | 28,000 | 31,500 |
| Escrow deposits | <u>9,000</u> | <u>2,500</u> |
| Net cash provided by operating activities | <u>\$ 734,090</u> | <u>\$ 829,677</u> |
| CASH AND CASH EQUIVALENTS ARE REPORTED AS: | | |
| Cash | \$ 9,700,853 | \$ 10,918,740 |
| Restricted cash | <u>110,268</u> | <u>101,268</u> |
| | <u>\$ 9,811,121</u> | <u>\$ 11,020,008</u> |

See accompanying notes

BRISTOL TOWNSHIP**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**

December 31, 2020 with summarized comparative totals for 2019

| | <u>Escrow Fund</u> | <u>Police Pension Trust Fund</u> | <u>Totals</u> | |
|-------------------------|------------------------|--|----------------------|----------------------|
| | | | <u>2020</u> | <u>2019</u> |
| ASSETS | | | | |
| Cash | \$ 1,045,390 | \$ 1,368,792 | \$ 2,414,182 | \$ 3,706,589 |
| Investments, restricted | - | 64,563,425 | 64,563,425 | 58,373,374 |
| Other receivables | - | 939,750 | 939,750 | 27,858 |
| Total assets | <u>1,045,390</u> | <u>66,871,967</u> | <u>67,917,357</u> | <u>62,107,821</u> |
| LIABILITIES | | | | |
| Accounts payable | <u>4,364</u> | <u>2,046</u> | <u>6,410</u> | <u>12,458</u> |
| NET POSITION | | | | |
| Restricted for | | | | |
| Future development | 1,041,026 | - | 1,041,026 | 1,311,987 |
| Pension benefits | <u>-</u> | <u>66,869,921</u> | <u>66,869,921</u> | <u>60,783,376</u> |
| | <u>\$ 1,041,026</u> | <u>\$ 66,869,921</u> | <u>\$ 67,910,947</u> | <u>\$ 62,095,363</u> |

See accompanying notes

BRISTOL TOWNSHIP

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

Year ended December 31, 2020 with summarized comparative totals for 2019

| | <u>Escrow Fund</u> | <u>Police Pension Fund</u> | <u>Totals</u> | |
|---|------------------------|------------------------------------|----------------------|----------------------|
| | | | <u>2020</u> | <u>2019</u> |
| ADDITIONS | | | | |
| Contributions | | | | |
| Employer contributions | \$ - | \$ 705,644 | \$ 705,644 | \$ 1,144,573 |
| Member contributions | - | 303,989 | 303,989 | 299,620 |
| Commonwealth contributions | - | 718,880 | 718,880 | 732,231 |
| Escrow deposits | <u>1,359,564</u> | <u>-</u> | <u>1,359,564</u> | <u>1,241,770</u> |
| Total contributions | <u>1,359,564</u> | <u>1,728,513</u> | <u>3,088,077</u> | <u>3,418,194</u> |
| Investment income (loss) | | | | |
| Interest and dividends | - | 5,826,903 | 5,826,903 | 1,585,373 |
| Net increase (decrease) in fair value of investments | - | 3,561,399 | 3,561,399 | 9,166,758 |
| Less: investment expenses | <u>-</u> | <u>(103,079)</u> | <u>(103,079)</u> | <u>(107,794)</u> |
| Total investment income (loss) | <u>-</u> | <u>9,285,223</u> | <u>9,285,223</u> | <u>10,644,337</u> |
| Total additions | <u>1,359,564</u> | <u>11,013,736</u> | <u>12,373,300</u> | <u>14,062,531</u> |
| DEDUCTIONS | | | | |
| Benefits paid and contributions refunded | - | 3,608,404 | 3,608,404 | 3,940,711 |
| Administrative expenses | - | 6,800 | 6,800 | 14,300 |
| Escrow payments | <u>1,630,525</u> | <u>-</u> | <u>1,630,525</u> | <u>1,071,209</u> |
| Total deductions | <u>1,630,525</u> | <u>3,615,204</u> | <u>5,245,729</u> | <u>5,026,220</u> |
| CHANGE IN NET POSITION | (270,961) | 7,398,532 | 7,127,571 | 9,036,311 |
| NET POSITION | | | | |
| Beginning of year | <u>1,311,987</u> | <u>59,471,389</u> | <u>60,783,376</u> | <u>51,747,065</u> |
| End of year | <u>\$ 1,041,026</u> | <u>\$ 66,869,921</u> | <u>\$ 67,910,947</u> | <u>\$ 60,783,376</u> |

See accompanying notes

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bristol Township (the "**Township**"), Bucks County, Pennsylvania, was established in 1692 and operates under the Home Rule Charter and Optional Plans Law as codified at Pa. C.S. Sub-Section 2901 et. seq. The residents of Bristol Township have elected to be governed pursuant to the Optional Plan of Government designated as the Council-Manager plan. This plan was adopted November 8, 2011 and consists of seven council members and a Township Manager. The Township provides the following services: general government; public safety – police, fire ambulance, codes and planning and zoning; public works – highways and street, sanitation and sewer; culture and recreation and community development.

The financial statements of the Township have been prepared in accordance with generally accepted accounting principles ("**GAAP**") as applied to governmental units. The Governmental Accounting Standards Board ("**GASB**") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the Township as a reporting entity, management has addressed all potential component units which may or may not fall within the Township's accountability. The criteria used to evaluate component units for possible inclusion as part of the Township's reporting entity are financial accountability and the nature and significance of the relationship. The Township is considered to be an independent reporting entity and has one blended component unit, the Police Pension Trust.

The Bristol Township Police Pension Fund is a single employer defined benefit pension plan that provides all full-time uniformed police officers of the Township retirement, disability and death benefits. Although the Bristol Township Police Pension fund is a separate legal entity it is reported as if is part of the Township as it is governed by the Township Council and the Township is responsible for funding the plan. The activities of the Police Pension Fund are blended as a fiduciary fund and does not issue separate financial statement.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position (deficit) and the statement of activities display information about the Township as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position (deficit) presents the financial position of the Township which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the Township is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The government-wide statement of activities presents a comparison between expenses and program revenues for each function of the business-type activities of the Township and for each governmental function. Expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Township.

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the Township. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other governmental funds are grouped together and presented in a separate column as nonmajor governmental funds. Fiduciary fund financial statements are presented by fund type.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The Township reports the following major governmental funds:

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

The Capital Reserve Fund accounts for financial resources restricted, committed or assigned to be used for the acquisition, construction or capital facilities, improvements and/or equipment.

The Liquid Fuels Fund accounts for appropriations from the Commonwealth of Pennsylvania Department of Transportation to be used for road improvements, snow and ice removal and road related capital projects

The Refuse Fund is used to account for the collection of fees and payment of expenses related to trash collection and recycling.

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

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

In addition, the Township reports the following nonmajor governmental funds:

Special Revenue Funds are used to account for the proceeds for specific revenue sources that are restricted or committed to expenditures for specified purposes.

Additional Capital Projects Funds are used to account for capital improvements for the Township's parks and recreation facilities and curb and sidewalk improvements.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific Township expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The Township reports the following major proprietary fund:

The Sewer Fund is used to account for the operation of a sewage treatment plant and collection system.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the Township's proprietary funds are charges for services. Operating expenses for the Township's proprietary funds include the cost of sales and service, administrative and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. The Township has a trust fund, consisting of a Police Pension Fund. Custodial funds held by the Township are used to account for assets held on behalf of individuals and/or other governmental units. The Township has one custodial fund consisting of an escrow fund.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value based upon quoted market prices, except for certificates of deposit which are recorded at cost, which approximates fair value.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Township. Unobservable inputs reflect the Township's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Township has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Township's own assumptions.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Taxes

Property taxes are levied on March 1 and are payable in the following periods:

| | |
|-----------------------|-------------------------------------|
| March 1 – April 30 | - Discount period, 2% of gross levy |
| May 1 – June 30 | - Face period |
| June 30 to collection | - Penalty period, 10% of gross levy |
| December 31 | - Lien date |

The Bucks County Board of Assessments determines assessed valuations of property, and the Township's taxes are billed and collected by the Township. The tax on real estate for fiscal 2020 was 23.98 mills (\$23.98 for \$1,000 of assessed valuation), consisting of 16.58 mills for general purposes, 1.50 mills for capital projects, 0.90 mills for recreation purposes, 2.00 mills for fire protection, 2.45 mills for debt redemption and 0.55 mills for rescue squad. The Township experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Other taxes levied in 2020 consisted of the following:

| | |
|--------------------------|--|
| Real estate transfer tax | - 0.50% of gross sales price |
| Earned income tax | - 0.50% for general purposes |
| Local services tax | - \$1.00 per week [max of \$52.00 per year split between the Township (\$47.00) and Bristol Township School District (\$5.00)] |
| Per capita tax | - \$10.00 per year [split with Bristol Township School District] |
| Mercantile tax | - Wholesale .10% of gross receipts and retail .15% of gross receipts [split with Bristol Township School District] |
| Amusement tax | - 5% of gross receipts |
| Mechanical devices tax | - \$150 per year |

Accounts Receivable

The Township's accounts receivable are reported at net realizable value. The Township's sewer and refuse operations experience very small losses from uncollectible accounts. Sewer and refuse fees constitute a lien against real property and usually can be collected in full when title transfers. Only balances after tax sales are written off each year. Accounts receivable are shown net of allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on professional judgment and historical trend information.

Prepaid Items

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

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Township as assets with an initial individual cost of \$5,000 or more. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

Property, plant and equipment (net of salvage value) of the Township is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 5-40 years, infrastructure – 40 years, land improvements – 5-20 years, sewer collection lines – 10-60, and furniture, machinery and equipment – 3-20 years.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Impairment of Long-Lived Assets

The Township evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the Township. No impairment losses were recognized in the year ended December 31, 2020.

Compensated Absences

Township policies permit employees to accumulate earned but unused vacation, sick days and compensatory leave. The liability for these compensated absences is recorded as a noncurrent liability in the government-wide financial statements. A liability for these amounts is recorded in the Governmental Funds and Proprietary Fund financial statements only to the extent they have matured, for example, as a result of employee resignation and retirement.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds and notes payable are reported net of the applicable premium or discount. Premiums and discounts are deferred and amortized over the life of the bonds and notes payable. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

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

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The Township reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Township Council. Committed amounts cannot be used for any other purpose unless the Township Council removes those constraints by taking the same type of formal action (e.g., resolution).

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Assigned

Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Township Manager or (b) an appointed body (e.g., finance committee) or (c) an official to which the Township has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, then unrestricted resources—committed, assigned or unassigned—in order as needed.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the Township's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

GASB Statement No. 83 "*Certain Asset Retirement Obligations*" will be effective for the Township for the year ended December 31, 2020. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations ("**AROs**"). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in GASB Statement No. 83. The implementation of GASB Statement No. 83 had no impact on the *Township's* financial statements for the year ended December 31, 2020.

GASB Statement No. 84 "*Fiduciary Activities*" will be effective for the Township for the year ended December 31, 2020. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. As a result of the implementation of GASB Statement No. 84 the Township reported the Police Pension Fund as a component unit and the Escrow Fund reported restricted net position and changes in fiduciary net position for the year ended December 31, 2020.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

GASB Statement No. 88 "*Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements*" will be effective for the Township for the year ended December 31, 2020. GASB Statement No. 88 improves the information that is disclosed in the notes to financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The implementation of GASB Statement No. 88 had no impact on the Township's financial statements for the year ended December 31, 2020.

GASB Statement No. 90 "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*" will be effective for the Township for the year ended December 31, 2020. GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of GASB Statement No. 90 had no impact on the Township's financial statements for the year ended December 31, 2020.

GASB Statement No. 87, "*Leases*" will be effective for the Township for the year ended December 31, 2022. The objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

GASB Statement No. 89, "*Accounting for Interest Cost Incurred Before the End of a Construction Period*", will be effective for the Township for the year ended December 31, 2021. The objectives of GASB Statement No. 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 establishes accounting required for interest cost incurred before the end of a construction period. Such interest costs includes all interest that previously was accounted for in accordance with the requirements of GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by GASB Statement No. 89. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with government fund accounting principles.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Township Manager provides a proposed budget to the Township Council no later than November 15th Notice of a public meeting at which said budget will be considered by Township Council shall take place no later than November 30th for the succeeding fiscal year beginning January 1. At such public meeting, the public shall be afforded the opportunity to comment.

The Township is required to publish notice by advertisement at least once in one newspaper of general circulation in the Township, and within 20 days of final action prior to December 31, that the budget has been prepared and is available for public inspection at the Township offices.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The Township is legally required to maintain budgetary controls at the major function level. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at the level of budgetary control and include the effect of approved budget amendments.

(3) DEPOSITS AND INVESTMENTS

State statutes authorize the Township to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit.

At December 31, 2020, the carrying amount of the Township's deposits was \$46,481,232 and the bank balance was \$46,760,253. Of the bank balance, \$939,557 was covered by federal depository insurance and \$45,820,696 was collateralized by the Township's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds.

Investments

As of December 31, 2020, the Township's had the following pension trust investments:

| <u>Description</u> | <u>Fair Value</u> | <u>Average Investment Maturities (in Years)</u> | | |
|-------------------------------|---------------------|---|---------------------|----------------|
| | | <u>Less than 1</u> | <u>1 to 5</u> | <u>6 to 10</u> |
| Fixed income mutual funds | \$19,433,791 | \$ - | \$19,433,791 | \$ - |
| Equity mutual funds | 43,296,686 | 43,296,686 | - | - |
| Real estate investment trusts | <u>1,832,948</u> | <u>1,832,948</u> | <u>-</u> | <u>-</u> |
| | <u>\$64,563,425</u> | <u>\$45,129,634</u> | <u>\$19,433,791</u> | <u>\$ -</u> |

Mutual funds were valued using Level 1 inputs while real estate investment trusts were valued using Level 3 inputs.

Fixed income mutual fund maturities were based off an average 5.5-year maturity.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township does not have a formal policy related to custodial credit risk for investments. As of December 31, 2020, the real estate investment trusts are uninsured investment securities that are held by either the counterparty or the counterparty's trust department or agent but not in the Township's name and subject to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2020, the fixed income mutual funds are considered to be exposed to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligations. The Township limits its type of investments permitted as defined in the state statutes. The Township does not have a formal policy that addresses credit risk. The Township had no investments subject to credit risk as of December 31, 2020.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from the requirement. As of December 31, 2020, the Township had no investments subject to concentration of credit risk.

(4) CAPITAL ASSETS

The Township's capital asset activity for the year ended December 31, 2020 was as follows:

| | <u>Balance January 1, 2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 2020</u> |
|--|--|---------------------|---------------------|--|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 4,266,413 | \$ - | \$ - | \$ 4,266,413 |
| Intangibles | 431,125 | 17,684 | - | 448,809 |
| Construction in progress | 8,919,700 | 3,586,134 | 11,546,848 | 958,986 |
| Total capital assets not being depreciated | <u>13,617,238</u> | <u>3,603,818</u> | <u>11,546,848</u> | <u>5,674,208</u> |
| Capital assets being depreciated | | | | |
| Improvements | 8,587,466 | - | - | 8,587,466 |
| Infrastructure | 83,557,071 | 11,458,543 | - | 95,015,614 |
| Buildings | 3,783,139 | - | - | 3,783,139 |
| Furniture, machinery and equipment | 9,490,325 | 823,794 | 86,599 | 10,227,520 |
| Total capital assets being depreciated | <u>105,418,001</u> | <u>12,282,337</u> | <u>86,599</u> | <u>117,613,739</u> |
| Less accumulated depreciation for | | | | |
| Improvements | (1,790,086) | (258,517) | - | (2,048,603) |
| Infrastructure | (47,316,182) | (1,474,269) | - | (48,790,451) |
| Buildings | (3,367,539) | (42,246) | - | (3,409,785) |
| Furniture, machinery and equipment | (6,308,477) | (812,471) | (86,599) | (7,034,349) |
| Total accumulated depreciation | <u>(58,782,284)</u> | <u>(2,587,503)</u> | <u>(86,599)</u> | <u>(61,283,188)</u> |
| Total capital assets being depreciated, net | <u>46,635,717</u> | <u>9,694,834</u> | <u>-</u> | <u>56,330,551</u> |
| Governmental activities, net | <u>\$ 60,252,955</u> | <u>\$13,298,652</u> | <u>\$11,546,848</u> | <u>\$ 62,004,759</u> |

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Business-type activities

| | | | | |
|--|----------------------|---------------------|-------------------|----------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 140,000 | \$ - | \$ - | \$ 140,000 |
| Construction in progress | <u>993,580</u> | <u>998,005</u> | <u>872,993</u> | <u>1,118,592</u> |
| Total capital assets not being depreciated | <u>1,133,580</u> | <u>998,005</u> | <u>872,993</u> | <u>1,258,592</u> |
| Capital assets being depreciated | | | | |
| Building | 10,843,681 | - | - | 10,843,681 |
| Tanks | 1,964,174 | - | - | 1,964,174 |
| Pump stations | 4,126,954 | - | - | 4,126,954 |
| Land improvements | 10,570 | - | - | 10,570 |
| Office equipment | 101,439 | - | - | 101,439 |
| Vehicles | 338,380 | - | - | 338,380 |
| Machinery and equipment | 4,418,526 | - | - | 4,418,526 |
| Collection system | <u>5,722,728</u> | <u>872,993</u> | <u>-</u> | <u>6,595,721</u> |
| Total capital assets being depreciated | <u>27,526,452</u> | <u>872,993</u> | <u>-</u> | <u>28,399,445</u> |
| Less accumulated depreciation for | | | | |
| Building | (2,543,000) | (238,868) | - | (2,781,868) |
| Tanks | (1,719,716) | (33,735) | - | (1,753,451) |
| Pump stations | (1,287,880) | (118,691) | - | (1,406,571) |
| Land improvements | (8,041) | (230) | - | (8,271) |
| Office equipment | (101,439) | - | - | (101,439) |
| Vehicles | (308,389) | (19,995) | - | (328,384) |
| Machinery and equipment | (3,705,951) | (73,650) | - | (3,779,601) |
| Collection system | <u>(5,252,525)</u> | <u>(45,444)</u> | <u>-</u> | <u>(5,297,969)</u> |
| Total accumulated depreciation | <u>(14,926,941)</u> | <u>(530,613)</u> | <u>-</u> | <u>(15,457,554)</u> |
| Total capital assets being depreciated, net | <u>12,599,511</u> | <u>342,380</u> | <u>-</u> | <u>12,941,891</u> |
| Business-type activities, net | <u>\$ 13,733,091</u> | <u>\$ 1,340,385</u> | <u>\$ 872,993</u> | <u>\$ 14,200,483</u> |

As of December 31, 2020, the Township had outstanding construction commitments totaling \$804,315 related to a pump station project and a sewer pipe slip lining project.

Depreciation expense for was charged to functions/programs of the Township as follows:

Governmental activities

| | |
|------------------------|---------------|
| General government | \$ 278,890 |
| Public safety | 498,967 |
| Public works | 1,720,133 |
| Culture and recreation | <u>89,513</u> |

Total depreciation expense - governmental activities \$2,587,503

Business-type activities

| | |
|-------|-------------------|
| Sewer | <u>\$ 530,613</u> |
|-------|-------------------|

(5) INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2020 is as follows:

| <u>Receivable To</u> | <u>Amount</u> | <u>Payable From</u> | <u>Amount</u> |
|-----------------------|------------------|----------------------------|------------------|
| Capital Projects Fund | \$ 31,472 | General Fund | \$ 31,472 |
| Capital Projects Fund | <u>466,914</u> | Nonmajor Governmental Fund | <u>466,914</u> |
| | <u>\$498,386</u> | | <u>\$498,386</u> |

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Interfund balances between funds represent temporary loans recorded to cover various expenses. The balances are generally repaid shortly after year-end.

A summary of interfund transfers for the year ended December 31, 2020 is as follows:

| <u>Transfers In</u> | <u>Amount</u> | <u>Transfers Out</u> | <u>Amount</u> |
|----------------------------|--------------------|----------------------------|--------------------|
| General Fund | \$ 450,000 | Refuse Fund | \$ 450,000 |
| General Fund | 35,000 | Sewer Fund | 35,000 |
| Debt Service Fund | 2,000,000 | General Fund | 2,000,000 |
| Nonmajor Governmental Fund | 68,253 | General Fund | 68,253 |
| Nonmajor Governmental Fund | 410,000 | Capital Projects Fund | 410,000 |
| Nonmajor Governmental Fund | 10,000 | Nonmajor Governmental Fund | 10,000 |
| General Fund | <u>25,000</u> | Nonmajor Governmental Fund | <u>25,000</u> |
| | <u>\$2,998,253</u> | | <u>\$2,998,253</u> |

Interfund transfers from the Refuse Fund, Sewer Fund, and Nonmajor Governmental Fund to the General Fund represent the reimbursement of costs incurred by the General Fund on behalf the Refuse Fund, Sewer Fund, and Street Lights Fund. Transfers from the General Fund to the Debt Service Fund represent transfers to subsidize debt service requirements. Transfers from the General Fund to the Nonmajor Governmental Fund represent transfers to subsidize the operations of the Education Service Agency Fund. Transfers from the Capital Projects Fund to the Nonmajor Governmental Fund represent transfers to subsidize projects in the Blighted Properties Fund.

(6) NONCURRENT LIABILITIES

The following summarizes the changes in the Township's noncurrent liabilities for the year ended December 31, 2020:

| | <u>Balance January 1, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance December 31, 2020</u> | <u>Amount Due Within One Year</u> |
|--|--|---------------------------|----------------------------|--|---|
| Governmental activities | | | | | |
| General obligation debt | | | | | |
| Bonds and notes payable | \$ 44,421,050 | \$6,153,000 | \$ 8,500,230 | \$ 42,073,820 | \$2,595,430 |
| Bond premiums | <u>95,033</u> | <u>-</u> | <u>4,847</u> | <u>90,186</u> | <u>4,847</u> |
| Total general obligation debt | 44,516,083 | 6,153,000 | 8,505,077 | 42,164,006 | 2,600,277 |
| Other noncurrent liabilities | | | | | |
| Compensated absences | 3,260,161 | - | 78,225 | 3,181,936 | - |
| OPEB liability | 65,456,337 | 761,911 | - | 66,218,248 | - |
| Net pension liability (asset) | <u>3,916,163</u> | <u>-</u> | <u>5,897,246</u> | <u>(1,981,083)</u> | <u>-</u> |
| Total other noncurrent liabilities | <u>72,632,661</u> | <u>761,911</u> | <u>5,975,471</u> | <u>67,419,101</u> | <u>-</u> |
| Total noncurrent liabilities governmental activities | <u>\$117,148,744</u> | <u>\$6,914,911</u> | <u>\$14,480,548</u> | <u>\$109,583,107</u> | <u>\$2,600,277</u> |
| Business-type activities | | | | | |
| General obligation debt: | | | | | |
| Sewer revenue bonds and notes payable | \$ 13,895,950 | \$2,637,000 | \$ 3,207,770 | \$ 13,325,180 | \$ 661,570 |
| Bond premiums | <u>39,645</u> | <u>-</u> | <u>2,017</u> | <u>37,628</u> | <u>2,017</u> |
| Total general obligation debt | 13,935,595 | 2,637,000 | 3,209,787 | 13,362,808 | 663,587 |
| Other noncurrent liabilities | | | | | |
| Compensated absences | <u>4,849</u> | <u>-</u> | <u>182</u> | <u>4,667</u> | <u>-</u> |
| Total noncurrent liabilities business-type activities | <u>\$ 13,940,444</u> | <u>\$2,637,000</u> | <u>\$ 3,209,969</u> | <u>\$ 13,367,475</u> | <u>\$ 663,587</u> |

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

(7) GENERAL OBLIGATION DEBT

General obligation debt is a direct obligation of the Township for which full faith and credit are pledged and are payable from local sources. The Township has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

General obligation debt outstanding as of December 31, 2020 consisted of the following:

Governmental Activities

On September 15, 2020, the Township issued General Obligation Notes, Series of 2020, (the "**Series 2020 Notes**") in the amount of \$8,790,000 to the Delaware Valley Regional Finance Authority ("**DVRFA**"). Interest is payable monthly at a rate of 1.836%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from August, 2021 through August, 2040 and is secured by the guaranty of the Township. The proceeds were used for the purpose of refunding of the Series 2015 Bonds. The amount outstanding under the Series 2020 Notes was \$8,790,000 at December 31, 2020, of which \$6,153,000 pertains to governmental activities.

On September 15, 2019, the Township issued General Obligation Notes, Series of 2018A, (the "**Series 2018A Notes**") in the amount of \$6,935,000 to the DVRFA. Interest is payable monthly at a rate of 3.094%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from November, 2020 through November, 2033 and is secured by the guaranty of the Township. The proceeds were used for the purpose of refunding of the Series 2014B Bonds. The amount outstanding under the Series 2018A Notes was \$6,934,000 at December 31, 2020, of which \$5,061,820 pertains to governmental activities.

On December 18, 2018, the Township issued General Obligation Notes, Series of 2018, (the "**Series 2018 Notes**") in the amount of \$5,000,000 to the DVRFA. Interest is payable monthly at a rate of 3.260%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from November, 2019 through November, 2038 and is secured by the guaranty of the Township. The proceeds will be used for the purpose of implementing various capital projects. The amount outstanding under the Series 2018 Notes was \$4,967,000 at December 31, 2020.

On September 25, 2017, the Township issued General Obligation Notes, Series of 2017, (the "**Series 2017 Notes**") in the amount of \$10,000,000 to DVRFA. Interest is payable monthly at a rate of 2.387%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from September, 2018 through September, 2037 and is secured by the guaranty of the Township. The proceeds were used for the purpose of implementing various capital projects. The amount outstanding under the Series 2017 Notes was \$8,800,000 at December 31, 2020.

On June 26, 2015, the Township issued General Obligation Bonds, Series of 2015, (the "**Series 2015 Bonds**") in the amount of \$10,000,000. Interest is payable semiannually in March and September at rates that range from 0.62% to 4.00%. Principal payments are due annually in varying amounts from September, 2016 through September, 2040. The proceeds were used for the purpose of implementing various capital projects including upgrades to the Township's road and facilities. The Series of 2015 Bonds were refunded by the Series of 2020 Notes.

On October 15, 2014, the Township issued General Obligation Notes, Series of 2014, (the "**Series 2014 Notes**") in the amount of \$3,000,000 to DVRFA. Interest is payable monthly at a rate of 2.651%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from September, 2015 through September, 2029. The proceeds were used for the purpose of implementing various capital projects including upgrades to the Township's road and facilities and stormwater drainage projects. The amount outstanding under the Series 2014 Notes was \$1,937,000 at December 31, 2020.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

On June 4, 2014, the Township issued General Obligation Bonds, Series A of 2014, (the "**Series 2014A Bonds**") in the amount of \$13,685,000. Interest is payable semiannually in March and September at rates that range from 0.649% to 4.329%. Principal payments are due annually in varying amounts from September, 2015 through September, 2030 and is secured by the guaranty of the Township. The proceeds were used for the purpose of refunding of the General Obligation Bonds, Series of 2010 and Series of 2008. The amount outstanding under the Series 2014A Bonds was \$8,595,000 at December 31, 2020.

On April 25, 2013, the Township issued General Obligation Notes, Series A of 2013, (the "**Series 2013A Notes**") in the amount of \$6,000,000 to DVRFA. Interest is payable monthly through April 2033 with an interest rate of 2.411%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from April, 2014 through April, 2033 and is secured by the guaranty of the Township. The proceeds were used for the purpose of road construction and resurfacing, stormwater drainage projects and improvements to the municipal building. The amount outstanding under the Series 2013A Notes was \$4,219,000 at December 31, 2020.

On April 25, 2013, the Township issued General Obligation Notes, Series B of 2013, (the "**Series 2013B Notes**") in the amount of \$80,000 to DVRFA. Interest is payable monthly at a rate of 2.411%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from April, 2014 through April, 2020 and is secured by the guaranty of the Township. The proceeds were used for the purpose of purchasing an ambulance. The Series of 2013B was fully repaid at December 31, 2020.

On October 25, 2013, the Township issued General Obligation Notes, Series C of 2013, (the "**Series 2013C Notes**") in the amount of \$4,000,000 to DVRFA. Interest is payable monthly at a rate of 2.647%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from October, 2014 through October, 2028 and is secured by the guaranty of the Township. The proceeds were used for the purpose of road construction and resurfacing and stormwater drainage projects. The amount outstanding under the Series 2013C Notes was \$2,341,000 at December 31, 2020.

Annual debt service requirements under the governmental activities general obligation debt is as follows:

| <u>Year ending December 31,</u> | <u>Principal Maturities</u> | <u>Interest Maturities</u> | <u>Total Maturities</u> |
|---------------------------------|-----------------------------|----------------------------|-------------------------|
| 2021 | \$ 2,595,430 | \$ 1,385,927 | \$ 3,981,357 |
| 2024 | 2,667,330 | 1,317,580 | 3,984,910 |
| 2023 | 2,739,230 | 1,238,187 | 3,977,417 |
| 2024 | 2,821,830 | 1,153,831 | 3,975,661 |
| 2025 | 2,722,100 | 1,064,683 | 3,786,783 |
| 2026-2030 | 14,225,340 | 3,934,974 | 18,160,314 |
| 2031-2035 | 9,703,260 | 1,824,756 | 11,528,016 |
| 2036-2040 | <u>4,599,300</u> | <u>482,222</u> | <u>5,081,522</u> |
| | <u>\$42,073,820</u> | <u>\$12,402,160</u> | <u>\$54,475,980</u> |

Business-Type Activities

On September 15, 2020, the Township issued General Obligation Notes, Series of 2020, (the "**Series 2020 Notes**") in the amount of \$8,790,000 to the Delaware Valley Regional Finance Authority ("**DVRFA**"). Interest is payable monthly at a rate of 1.836%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from August, 2021 through August, 2040 and is secured by the guaranty of the Township. The proceeds were used for the purpose of refunding of the Series 2015 Bonds. The amount outstanding under the Series 2020 Notes was \$8,790,000 at December 31, 2020, of which \$2,637,000 pertains to business-type activities.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

On October 1, 2019, the Township issued Guaranteed General Obligation Guaranteed Revenue Notes, Series of 2019, (the "**Series 2019 Revenue Notes**") in the amount of \$5,505,000 to DVRFA. Interest is payable monthly at a rate of 1.573%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from September, 2010 through September, 2032 and is secured by the assignment and pledge of the operation revenues of the sewer operations. The proceeds were used for the purpose of refunding of the Series of 2010 Revenue Notes. The amount outstanding under the Series 2019 Revenue Notes was \$5,115,000 at December 31, 2020.

On September 15, 2019, the Township issued General Obligation Notes, Series of 2018A, (the "**Series 2018A Notes**") in the amount of \$6,935,000 to DVRFA. Interest is payable monthly at a rate of 3.094%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from November, 2020 through November, 2033 and is secured by the assignment and pledge of the operation revenues of the sewer operations. The proceeds were used for the purpose of refunding of the Series 2014B Bonds. The amount outstanding under the Series 2018A Notes was \$6,934,000 at December 31, 2020, of which \$1,872,180 pertains to business-type activities.

On December 20, 2018, the Township issued Guaranteed Revenue Notes, Series of 2018, (the "**Series 2018 Revenue Notes**") in the amount of \$4,000,000 to DVFRA. Interest is payable monthly at a rate of 3.141%, pursuant to the Interest Rate Management Plan described below. Principal payments are due annually in varying amounts from November, 2019 through November, 2038 and is secured by the assignment and pledge of the operation revenues of the sewer operations. The proceeds were used for the purpose of expanding and improving the wastewater treatment plant and collection system. The amount outstanding under the Series 2018 Revenue Notes was \$3,701,000 at December 31, 2020.

On June 26, 2015, the Township issued General Obligation Bonds, Series of 2015, (the "**Series 2015 Bonds**") in the amount of \$10,000,000. Interest is payable semiannually in March and September at rates that range from 0.62% to 4.00%. Principal payments are due annually in varying amounts from September, 2016 through September, 2040. The proceeds were used for various capital projects including upgrades to the Township's road and facilities. The Series of 2015 Bonds were refunded by the Series of 2020 Notes.

Annual debt service requirements under the business-type activities general obligation debt is as follows:

| <u>Year ending December 31,</u> | <u>Principal Maturities</u> | <u>Interest Maturities</u> | <u>Total Maturities</u> |
|---------------------------------|---------------------------------|--------------------------------|-----------------------------|
| 2021 | \$ 661,570 | \$ 346,443 | \$ 1,008,013 |
| 2024 | 673,670 | 333,376 | 1,007,046 |
| 2023 | 686,770 | 319,933 | 1,006,703 |
| 2024 | 702,170 | 306,050 | 1,008,220 |
| 2025 | 898,900 | 291,636 | 1,190,536 |
| 2026-2030 | 4,809,660 | 1,131,744 | 5,941,404 |
| 2031-2035 | 3,363,740 | 539,267 | 3,903,007 |
| 2036-2040 | <u>1,528,700</u> | <u>149,337</u> | <u>1,678,037</u> |
| | <u>\$13,325,180</u> | <u>\$3,417,786</u> | <u>\$16,742,966</u> |

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Interest Rate Management Plan

The DVRFA was formed by certain counties in Southeastern Pennsylvania to provide financing to local government units ("**participants**") for various projects. DVRFA obtained the funds used to finance these projects by issuing its Local Government Revenue Bonds. In order to reduce the interest costs of participants in its loan program and to enhance their ability to manage their interest rate risks, DVRFA and the participants in its loan program, including the Township, have entered into an Interest Rate Management Plan, the provisions of which allow the participants to select fixed or variable rates of interest on their loans.

In order to provide this option to the participants, DVRFA has entered into an interest rate swap agreement with a financial institution. In the event that the swap agreement between DVRFA and the financial institution is terminated, the value of the swap to DVRFA at the time of termination is a liability and insufficient funds are available to pay the liability, the participants are required to pay their proportionate share of the liability. The values of the swap agreements relative to the notes identified above at December 31, 2020 was an asset of \$2,785,545, in aggregate. The values of the swap agreements relative to these Notes are not reflected on the Township's statement of net position (deficit).

(8) POST EMPLOYMENT RETIREMENT PLAN

The Bristol Township Health and Welfare Plan (the "**OPEB Plan**") is a contributory, single-employer postretirement benefits plan for eligible employees of the Township. The OPEB Plan provides postretirement medical benefits upon retirement or disability to plan members and their beneficiaries, pursuant to Township ordinances and the collective bargaining agreement between the Township and the Bristol Township Police Benevolent Association. The OPEB Plan can be amended by the Township through its ordinances and collective bargaining agreements. The OPEB Plan is administered by a plan administrator appointed by the Township Council. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

Plan Membership

Membership in the OPEB Plan consisted of the following at December 31, 2020:

| | |
|----------------------------|------------|
| Active participants | 107 |
| Vested former participants | - |
| Retired participants | <u>97</u> |
| Total | <u>204</u> |

Funding Policy

The contribution requirements of the Township are established and may be amended by the establishment of a new collective bargaining agreement between the Township and the Bristol Township Police Benevolent Association. The OPEB Plan does not require any contributions from plan members. The Township funds the plan on a pay-as-you-go basis. For 2020, the Township contributed \$1,880,130 to the OPEB Plan for current premiums.

OPEB Liability

The Township's OPEB liability has been measured as of December 31, 2020. The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, and by rolling forward the liabilities from the January 1, 2020 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The OPEB liability is \$66,218,248, all of which is unfunded.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

The Township's change in total OPEB liability for the year ended December 31, 2020 was as follows:

| | |
|--|---------------------|
| Balances as of December 31, 2019 | <u>\$65,456,337</u> |
| Changes for the year: | |
| Service cost | 1,519,622 |
| Interest on total OPEB liability | 2,400,853 |
| Differences between expected and actual experience | (5,894,784) |
| Changes of assumptions | 4,616,350 |
| Benefit payments | <u>(1,880,130)</u> |
| Net changes | <u>761,911</u> |
| Balances as of December 31, 2020 | <u>\$66,218,248</u> |

Sensitivity of the OPEB Liability to Change in Healthcare Cost Trend Rates

The following presents the OPEB liability for December 31, 2020, calculated using current healthcare cost trends as well as what the OPEB liability would be if healthcare cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>1% Decrease</u> | <u>Trend Rate</u> | <u>1% Increase</u> |
|----------------|---------------------|---------------------|---------------------|
| OPEB liability | <u>\$56,085,340</u> | <u>\$66,218,248</u> | <u>\$79,145,607</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township calculated using the discount rate 3.26%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|----------------|---------------------|------------------------------|---------------------|
| | <u>2.26%</u> | <u>3.26%</u> | <u>4.26%</u> |
| OPEB liability | <u>\$78,594,938</u> | <u>\$66,218,248</u> | <u>\$56,544,764</u> |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Township recognized OPEB expense of \$3,792,918. At December 31, 2020, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---------------------------------------|--------------------------------------|
| Changes in assumptions | \$6,053,506 | \$3,156,252 |
| Differences between expected and actual experience | - | 4,715,827 |
| Benefit payments subsequent to measurement date | <u>1,800,330</u> | <u>-</u> |
| | <u>\$7,853,836</u> | <u>\$7,872,079</u> |

An amount of \$1,800,330 reported as deferred outflows of resources related to OPEB resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

Year ended December 31,

| | |
|------|-----------------------------|
| 2021 | \$ (127,557) |
| 2022 | (127,557) |
| 2023 | (1,307,771) |
| 2024 | <u>(255,688)</u> |
| | <u>\$(1,818,573)</u> |

Actuarial Methods and Significant Assumptions

The OPEB liability as of December 31, 2020, was determined by rolling forward the OPEB Liability as of January 1, 2020 to December 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal
- Discount rate – 3.26% – Standard and Poors 20 year municipal bond rate. The discount rate changed from 3.64% to 3.26%.
- Salary growth – 6.00% per year
- Assumed healthcare cost trends – 5.50% in 2020 through 2023. Rates gradually decrease from 5.40% in 2024 to 4.00% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Mortality rates were based on the RP-2000 blue collar mortality table.

(9) EMPLOYEE RETIREMENT PLANS

Police Pension Fund

The Bristol Township Police Pension Fund accounts for a contributory, single-employer defined benefit pension plan (the "**Police Pension Plan**") that covers all full-time uniformed police officers of the Township. The Police Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries under Ordinance 2005-02, pursuant to Act 600 of 1956, as amended.

Plan Membership

Membership in the Police Pension Plan consisted of the following at December 31, 2020:

| | |
|--|------------|
| Active employees | 44 |
| Retirees and beneficiaries currently receiving benefits | 81 |
| Terminated plan members entitled to but not yet receiving benefits | <u>5</u> |
| Total | <u>130</u> |

Benefit Provisions

The Police Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries.

Members are eligible for normal retirement after attainment of age 53 and 25 years of service or age 60 and 20 years of service and early retirement after 20 years of service. If hired before January 1, 1998, are eligible for normal retirement after attainment of age 50 and 25 years. Normal retirement benefits are calculated as 50% of average compensation during the last 36 months of employment plus a service increment of \$20 per month for each completed year of benefit service in excess of 25 years, up to a maximum service increment of \$100 per month.

If a member is totally and permanently disabled in the line of duty, they are eligible for disability payments equal to 100% of their salary at the time of disability offset by the member's social security income. If hired after January 1, 2013, a member is eligible for 75% of their final salary.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

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If a member is eligible for retirement at the time of death, a monthly death benefit is payable to their surviving spouse or eligible dependent child, equal to 50% of the normal monthly retirement benefit. Upon the death of a member pre-retirement, vested contributions will be refunded with interest or 50% of vested benefit payable beginning at the member's superannuation retirement date.

Members who begin retirement benefits on or after January 1, 1991 may be provided a cost of living adjustment. In no such case shall the benefit exceed 75% of salary and the total adjustment shall not exceed 30%. For members hired after January 1, 1998, the adjustment shall not exceed 15%.

Basis of Accounting

The Police Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Police Pension Plan are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

Contributions

Annual contributions to the Police Pension Plan are based upon the minimum municipal obligation (the "MMO"). The MMO is derived from the Police Pension Plan's biennial actuarial valuation. Members in the Police Pension Plan are required to contribute 5.00% of total compensation. This contribution is established by the Plan's governing ordinance. The Commonwealth of Pennsylvania provides an allocation of funds, which must be used, for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contribution must be funded by the Township.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Plan and funded through investment earnings.

Annual Pension Cost

The annual required contribution was determined as part of the January 1, 2020 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 8.00% percent investment rate of return (net of administrative costs) and (b) 2.25% inflation and 6.00% salary increases. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis over 6 years.

Discount Rate

The discount rate used to measure the total pension liability is 8.00%. The Police Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Police Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability.

Rate of Return

The long-term expected rate of return on Police Pension Plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation.

The annual money-weighted rate of return on Police Pension Plan investments, net of pension plan investment expenses not funded through the MMO was 15.61%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

The Police Pension Plan investment policy in regard to allocation of invested assets is established and may be amended by the Township Council and Pension Board. The objective investment strategy is to reduce risk while maximizing returns through prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due.

A schedule of Police Pension Plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|-------------------------------|--------------------------|--|
| U.S. Equity | 42.00% | 5.00% |
| International Equity | 16.00% | 5.10% |
| Emerging Equity | 7.00% | 5.40% |
| Core Fixed Income | 15.00% | 1.30% |
| Intermediate Inv. Grade Corp. | 7.50% | 1.70% |
| High Yield | 3.75% | 3.50% |
| Emerging Debt | 3.75% | 3.60% |
| Cash | <u>5.00%</u> | <u>-0.10%</u> |
| Total Portfolio | <u>100.00%</u> | <u>3.88%</u> |

Net Pension Liability (Asset)

The Township's net pension liability (asset) has been measured as of December 31, 2020. The total pension liability was determined by an actuarial valuation as of January 1, 2019, and by rolling forward the liabilities from the January 1, 2019 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension asset is \$1,459,917 measured as the difference between the total pension liability of \$65,410,004 and the fiduciary net position of \$66,869,921.

The Township's change in total pension liability, plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2020 were as follows:

| | <u>Total Pension Liability (A)</u> | <u>Plan Fiduciary Net Position (B)</u> | <u>Net Pension Liability (Asset) (A) - (B)</u> |
|--|------------------------------------|--|--|
| Balances as of January 1, 2019 | \$63,073,025 | \$59,471,389 | \$ 3,601,636 |
| Changes for the year: | | | |
| Service cost | 966,553 | - | 966,553 |
| Interest on total pension liability | 4,978,830 | - | 4,978,830 |
| Differences between expected and actual experience | - | - | - |
| Employer contributions | - | 705,644 | (705,644) |
| State contributions | - | 718,880 | (718,880) |
| Member contributions | - | 303,989 | (303,989) |
| Net investment income | - | 9,285,223 | (9,285,223) |
| Benefit payments | (3,608,404) | (3,608,404) | - |
| Administrative expense | - | (6,800) | 6,800 |
| Net changes | <u>2,336,979</u> | <u>7,398,532</u> | <u>(5,061,553)</u> |
| Balances as of December 31, 2020 | <u>\$65,410,004</u> | <u>\$66,869,921</u> | <u>\$(1,459,917)</u> |

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Township calculated using the discount rate 8.00%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

| | <u>1% Decrease 7.00%</u> | <u>Current Discount Rate 8.00%</u> | <u>1% Increase 9.00%</u> |
|-------------------------------|------------------------------|--|------------------------------|
| Net pension liability (asset) | <u>\$5,265,114</u> | <u>\$(1,459,917)</u> | <u>\$(7,167,176)</u> |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2020, the Township recognized negative pension expense of \$884,525. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ 470,862 |
| Changes in assumptions | 51,763 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>-</u> | <u>5,662,532</u> |
| | <u>\$51,763</u> | <u>\$ 6,133,394</u> |

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

Year ended December 31,

| | |
|------|----------------------|
| 2021 | \$(1,925,490) |
| 2022 | (900,999) |
| 2023 | (2,328,236) |
| 2024 | <u>(926,906)</u> |
| | <u>\$(6,081,631)</u> |

Deferred Retirement Option Program

An active member who has met the eligibility requirements for normal retirement may elect to participate in the Deferred Retirement Option Program ("**DROP**") for a period of no more than 48 months. The member's monthly pension shall be calculated as of their date of participation in the program and shall be distributed in a lump sum at retirement. As of December 31, 2020, there were 9 members participating in the DROP with a total DROP account balance of \$996,579.

Actuarial Methods and Significant Assumptions

- Investment return – 8.00% (net of pension plan expense, including inflation)
- Discount rate – 8.00%
- Inflation – 2.25%
- Salary increases – 6.00% per year
- Mortality rates – Blue Collar RP 2000 mortality

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Nonuniform Pension

Bristol Township has a contributory, single-employer defined benefit pension plan (the "**Nonuniform Pension Plan**") that covers all full-time non-uniformed employees of the Township. The Nonuniform Pension Plan participates in the Pennsylvania Municipal Retirement System ("**PMRS**"), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by writing to Pennsylvania Municipal Retirement System, P.O. Box 1165, Harrisburg, PA 17108-1165; or by accessing its website at <http://www.pMrs.state.pa.us>.

Plan Membership

Membership in the Nonuniform Pension Plan consisted of the following at December 31, 2019:

| | |
|--|-----------|
| Active employees | 45 |
| Retirees and beneficiaries currently receiving benefits | 28 |
| Terminated plan members entitled to but not yet receiving benefits | <u>7</u> |
| Total | <u>80</u> |

Benefit Provisions

The Nonuniform Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the Nonuniform Pension Plan.

Method Used to Value Investments

Investments in the Nonuniform Pension Plan are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

Contributions

Required annual employer contributions in the Nonuniform Pension Plan are 2.00% of compensation plus a match to a total of 5.00%. Members in the Nonuniform Pension Plan are required to contribute 1.00% of total compensation and can make an additional voluntary contribution of up to 9.00%. The Commonwealth of Pennsylvania provides an allocation of funds, which must be used, for pension funding.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Plan and funded through investment earnings.

Annual Pension Cost

The annual required contribution was determined as part of the January 1, 2019 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 5.25% percent investment rate of return (net of administrative costs) and (b) 2.80% inflation and salary increases ranging from 2.80% to 7.05%. The unfunded actuarial accrued liability (asset) is being amortized on the level dollar closed basis.

Discount Rate

The discount rate used to measure the total pension liability is 5.25%. The Nonuniform Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability (asset).

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Rate of Return

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

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

A schedule of plan investments by asset class, target allocations, and long-term expected real rate of return is as follows:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Nominal Rate of Return</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--|--------------------------|-------------------------------|---|
| Domestic Equities (Large Capitalized Firms) | 25% | 7.4% | 4.7% |
| Domestic Equities (Small Capitalized Firms) | 15% | 9.8% | 7.1% |
| International Equities (International Developed Markets) | 15% | 5.5% | 2.9% |
| International Equities (Emerging Markets) | 10% | 9.9% | 7.6% |
| Real Estate | 20% | 8.4% | 5.3% |
| Fixed Income | <u>15%</u> | <u>2.2%</u> | <u>0.0%</u> |
| Total Portfolio | <u>100%</u> | <u>7.1%</u> | <u>4.5%</u> |

The above was the PMRS Board's adopted asset allocation policy and best estimates of geometrical real rates of return for each major asset class as of December 31, 2019.

Net Pension Liability (Asset)

The Township's net pension liability (asset) has been measured as of December 31, 2019. The total pension liability (asset) was determined by an actuarial valuation as of January 1, 2019, and by rolling forward the liabilities from the January 1, 2019 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension asset is \$521,166 and measured as the difference between the total pension liability of \$6,588,094 and the fiduciary net position of \$7,109,260.

The Township's change in total pension liability, plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2019 were as follows:

| | <u>Total Pension Liability (A)</u> | <u>Plan Fiduciary Net Position (B)</u> | <u>Net Pension Liability (Asset) (A) – (B)</u> |
|--|------------------------------------|--|--|
| Balances as of January 1, 2019 | <u>\$6,399,102</u> | <u>\$6,084,575</u> | <u>\$ 314,527</u> |
| Changes for the year: | | | |
| Service cost | 247,673 | - | 247,673 |
| Interest on total pension liability | 325,172 | - | 325,172 |
| Changes of benefits | - | - | - |
| Differences between expected and actual experience | (47,299) | - | (47,299) |
| Employer contributions | - | (62) | 62 |
| PMRS assessment contribution | - | 100 | (100) |

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

| | | | |
|---|--------------------|--------------------|---------------------|
| Member contributions | - | 139,193 | (139,193) |
| Net investment income | - | 1,233,539 | (1,233,539) |
| Transfers | - | - | - |
| Benefit payments | (336,554) | (336,554) | - |
| PMRS administrative expense | - | (100) | 100 |
| Administrative expense | - | (11,431) | 11,431 |
| Net changes | <u>188,992</u> | <u>1,024,685</u> | <u>(835,693)</u> |
| Balances as of December 31, 2019 | <u>\$6,588,094</u> | <u>\$7,109,260</u> | <u>\$ (521,166)</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Township calculated using the discount rate 5.25%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate:

| | <u>1% Decrease 4.25%</u> | <u>Current Discount Rate 5.25%</u> | <u>1% Increase 6.25%</u> |
|-------------------------------|------------------------------|--|------------------------------|
| Net Pension Liability (Asset) | <u>\$503,179</u> | <u>\$(521,166)</u> | <u>\$(1,514,415)</u> |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2019, the Township recognized negative pension expense of \$54,002. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ 39,501 |
| Changes in assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | <u>-</u> | <u>613,898</u> |
| | <u>\$ -</u> | <u>\$653,399</u> |

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

Year ended December 31,

| | |
|------|--------------------|
| 2020 | \$(221,835) |
| 2021 | (194,199) |
| 2022 | (56,800) |
| 2023 | <u>(180,565)</u> |
| | <u>\$(653,399)</u> |

Actuarial Methods and Significant Assumptions

- Investment return – 5.25% (including inflation)
- Discount rate – 5.25%
- Inflation – 2.80%
- Salary increases – 2.80%-7.05% per year age related scale with merit and inflation component
- Mortality rates – RP 2000 mortality tables for males and females

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

(10) DEFERRED COMPENSATION PLAN

The Township has established and administers a deferred compensation plan in accordance with Internal Revenue Code Section 410(k) available to all full-time Township employees. Contributions to the deferred compensation plan are made from employee payroll deductions based on an election by the participant. Assets of the deferred compensation plan totaled \$11,638,438 as of December 31, 2020 are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the deferred compensation plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The Township has no liability for losses under the plan. Investments are managed by the plan's administrator under several different investment options or combinations thereof. The choice of the investment option(s) is made by the participants. The Township has no management control over the assets of the deferred compensation plan. Accordingly, the assets of the Deferred Compensation Plan are not included in these financial statements.

(11) INTERAUTHORITY TREATMENT SERVICE

The Township has entered into agreements with four other municipal authorities which provide for the treatment of a portion of the wastewater collected by the Township. For the year ended December 31, 2020, the Township purchased wastewater treatment services under these agreements totaling \$1,644,351.

(12) CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The Township receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. Township officials do not expect any significant adjustments as a result of these examinations.

Litigation

The Township is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

(13) RISK MANAGEMENT

Property and Liability

The Township 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. Significant losses are covered by commercial insurance for all major programs except for workers compensation and employee health, for which the Township retains risk of loss. For insured programs, there were no significant reductions in insurance coverages during 2020. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

BRISTOL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Health Insurance

The Township participates in a healthcare trust with other governmental entities from Pennsylvania and Delaware. The healthcare trust is a public entity risk pool is designed to provide healthcare coverage for eligible employees, spouses and dependents. The Trust was established for the sole and exclusive benefit of the employees of the member governmental entities. While the healthcare trust is self-funded, each member governmental entity receives a fully-insured equivalent rate which is guaranteed for twelve months and represents a total risk transfer to the healthcare trust. The Township is not responsible for any additional assessments upon termination. The healthcare trust assumes the risk for all claims including large claims and purchases commercial reinsurance for claims over \$1 million.

Workers' Compensation

The Township and other Pennsylvania municipalities and housing and redevelopment authorities participate in a workers' compensation trust, which is a cooperative voluntary arrangement. The Township and the other participating members pay an annual premium to the workers' compensation trust for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves, claims, and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of the workers' compensation trust that the workers' compensation trust will utilize funds contributed by the participating members, which shall be held in trust, to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of December 31, 2020, the Township is not aware of any additional assessments relating to the workers' compensation trust.

(14) PRIOR PERIOD ADJUSTMENT

As a result of the implementation of GASB Statement No. 84 "*Fiduciary Activities*", the Township made a prior period adjustment to record net position for its Custodial Fund within its fiduciary fund. Regarding the fiduciary funds, this prior period adjustment and its effect on net position at January 1, 2019 was an increase in Custodial Fund net position of \$1,141,426. Prior to the implementation of GASB Statement No. 84, custodial fund assets equaled liabilities and did not involve measurement of results of operations.

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 8, 2021, the date on which the financial statements were available to be issued. Except as noted below, no material subsequent events have occurred since December 31, 2020 that required recognition or disclosure in the financial statements.

In August 2021, the Township issued General Obligation Notes, Series of 2021, in the amount of \$11,700,000 to the DVRFA. The proceeds will be used for the purpose of the construction of a senior community center and fire station and the purchase of a fire truck.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended December 31, 2020

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Budget Positive (Negative)</u> |
|--|--|---------------------|---|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 7,640,000 | \$ 7,543,416 | \$ (96,584) |
| Transfer | 1,050,000 | 1,735,994 | 685,994 |
| Earned income | 6,600,000 | 6,935,345 | 335,345 |
| Other | <u>1,583,000</u> | <u>1,478,809</u> | <u>(104,191)</u> |
| Total taxes | 16,873,000 | 17,693,564 | 820,564 |
| Fees and fines | 190,000 | 184,822 | (5,178) |
| Licenses and permits | 2,876,200 | 3,107,717 | 231,517 |
| Intergovernmental revenues | 879,400 | 918,127 | 38,727 |
| Charges for services | 564,500 | 663,908 | 99,408 |
| Investment income and rent | 110,000 | 44,168 | (65,832) |
| Miscellaneous | <u>169,600</u> | <u>223,750</u> | <u>54,150</u> |
| Total revenues | <u>21,662,700</u> | <u>22,836,056</u> | <u>1,173,356</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 3,220,500 | 2,768,665 | 451,835 |
| Public safety | 16,121,300 | 14,896,414 | 1,224,886 |
| Public works | 1,810,000 | 1,579,619 | 230,381 |
| Debt Service | <u>906,000</u> | <u>906,000</u> | <u>-</u> |
| Total expenditures | <u>22,057,800</u> | <u>20,150,698</u> | <u>1,907,102</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(395,100)</u> | <u>2,685,358</u> | <u>3,080,458</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 510,000 | 510,000 | - |
| Transfers out | <u>(114,900)</u> | <u>(2,068,253)</u> | <u>(1,953,353)</u> |
| Total other financing sources (uses) | <u>395,100</u> | <u>(1,558,253)</u> | <u>(1,953,353)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>1,127,105</u> | <u>\$ 1,127,105</u> |
| FUND BALANCE | | | |
| Beginning of year | | <u>6,128,874</u> | |
| End of year | | <u>\$ 7,255,979</u> | |

BRISTOL TOWNSHIP**BUDGETARY COMPARISON SCHEDULE - LIQUID FUELS FUND**

Year ended December 31, 2020

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance with Budget Positive (Negative)</u> |
|--|--|----------------------------|---|
| REVENUES | | | |
| Intergovernmental revenues | \$ 1,587,500 | \$ 1,613,671 | \$ 26,171 |
| Investment income and rent | 53,300 | 49,509 | (3,791) |
| Total revenues | <u>1,640,800</u> | <u>1,663,180</u> | <u>22,380</u> |
| EXPENDITURES | | | |
| Current | | | |
| Public works | <u>2,605,000</u> | <u>1,080,498</u> | <u>1,524,502</u> |
| Total expenditures | <u>2,605,000</u> | <u>1,080,498</u> | <u>1,524,502</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(964,200)</u> | <u>582,682</u> | <u>1,546,882</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>964,200</u> | <u>-</u> | <u>(964,200)</u> |
| Total other financing sources (uses) | <u>964,200</u> | <u>-</u> | <u>(964,200)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>582,682</u> | <u>\$ 582,682</u> |
| FUND BALANCE | | | |
| Beginning of year | | <u>3,804,756</u> | |
| End of year | | <u><u>\$ 4,387,438</u></u> | |

BRISTOL TOWNSHIP**BUDGETARY COMPARISON SCHEDULE - REFUSE FUND**Year ended December 31, 2020

| | <u>Original and Final Budget</u> | <u>Actual</u> | Variance with Budget Positive (Negative) |
|--|--|---------------------|---|
| REVENUES | | | |
| Property taxes | \$ 5,263,000 | \$ 5,164,388 | \$ (98,612) |
| Intergovernmental revenues | 167,000 | 198,423 | 31,423 |
| Investment income and rent | <u>84,500</u> | <u>37,952</u> | <u>(46,548)</u> |
| Total revenues | <u>5,514,500</u> | <u>5,400,763</u> | <u>(113,737)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Sanitation | <u>5,064,500</u> | <u>4,968,873</u> | <u>95,627</u> |
| Total expenditures | <u>5,064,500</u> | <u>4,968,873</u> | <u>95,627</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>450,000</u> | <u>431,890</u> | <u>(18,110)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(450,000)</u> | <u>(450,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(450,000)</u> | <u>(450,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>(18,110)</u> | <u>\$ (18,110)</u> |
| FUND BALANCE | | | |
| Beginning of year | | <u>3,355,904</u> | |
| End of year | | <u>\$ 3,337,794</u> | |

BRISTOL TOWNSHIP

SCHEDULE OF CHANGES IN NET POLICE PENSION LIABILITY (ASSET)

Year ended December 31

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-----------------------|----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | |
| Service cost | \$ 966,553 | \$ 911,842 | \$ 924,640 |
| Interest on total pension liability | 4,978,830 | 4,818,029 | 4,694,710 |
| Differences between expected and actual experience | - | (305,762) | - |
| Changes of assumptions | - | - | - |
| Benefit payments, including refunds of member contributions | <u>(3,608,404)</u> | <u>(3,940,711)</u> | <u>(3,577,934)</u> |
| Net change in total pension liability | 2,336,979 | 1,483,398 | 2,041,416 |
| Total pension liability, beginning | <u>63,073,025</u> | <u>61,589,627</u> | <u>59,548,211</u> |
| Total pension liability, ending | <u>\$ 65,410,004</u> | <u>\$ 63,073,025</u> | <u>\$ 61,589,627</u> |
| PLAN FIDUCIARY NET POSITION | | | |
| Employer contributions | \$ 1,424,524 | \$ 1,876,804 | \$ 1,505,029 |
| Employee contributions | 303,989 | 299,620 | 305,336 |
| Net investment income | 9,285,223 | 10,644,337 | (2,820,909) |
| Benefit payments | (3,608,404) | (3,940,711) | (3,577,934) |
| Administrative expense | <u>(6,800)</u> | <u>(14,300)</u> | <u>(13,700)</u> |
| Net change in plan fiduciary net position | 7,398,532 | 8,865,750 | (4,602,178) |
| Fiduciary net position, beginning | <u>59,471,389</u> | <u>50,605,639</u> | <u>55,207,817</u> |
| Fiduciary net position, ending | <u>\$ 66,869,921</u> | <u>\$ 59,471,389</u> | <u>\$ 50,605,639</u> |
| Net pension liability (asset) | <u>\$ (1,459,917)</u> | <u>\$ 3,601,636</u> | <u>\$ 10,983,988</u> |
| Fiduciary net position as a % of total pension liability | 102.23% | 94.29% | 82.17% |
| Internal money-weighted rate of return | 15.61% | 21.03% | -5.11% |
| Covered payroll | 5,823,442 | 6,083,910 | 5,600,000 |
| Net pension liability as a % of covered payroll | -25.07% | 59.20% | 196.14% |

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------|----------------------|----------------------|----------------------|
| \$ 872,302 | \$ 791,282 | \$ 746,492 | \$ 1,075,572 |
| 4,522,550 | 4,434,888 | 4,268,577 | 4,262,456 |
| (1,483,656) | - | (674,370) | - |
| 267,451 | - | (1,284,341) | - |
| <u>(3,012,418)</u> | <u>(2,978,013)</u> | <u>(2,983,918)</u> | <u>(2,963,530)</u> |
| 1,166,229 | 2,248,157 | 72,440 | 2,374,498 |
| <u>58,381,982</u> | <u>56,133,825</u> | <u>56,061,385</u> | <u>53,686,887</u> |
| <u>\$ 59,548,211</u> | <u>\$ 58,381,982</u> | <u>\$ 56,133,825</u> | <u>\$ 56,061,385</u> |
| | | | |
| \$ 1,511,398 | \$ 1,681,425 | \$ 2,219,238 | \$ 1,739,662 |
| 286,417 | 290,882 | 295,752 | 297,595 |
| 7,759,872 | 3,350,779 | 319,618 | 2,677,685 |
| (3,012,418) | (2,978,013) | (2,983,918) | (2,963,530) |
| <u>(5,400)</u> | <u>(11,400)</u> | <u>(12,700)</u> | <u>(5,000)</u> |
| 6,539,869 | 2,333,673 | (162,010) | 1,746,412 |
| <u>48,667,948</u> | <u>46,334,275</u> | <u>46,496,285</u> | <u>44,749,873</u> |
| <u>\$ 55,207,817</u> | <u>\$ 48,667,948</u> | <u>\$ 46,334,275</u> | <u>\$ 46,496,285</u> |
| <u>\$ 4,340,394</u> | <u>\$ 9,714,034</u> | <u>\$ 9,799,550</u> | <u>\$ 9,565,100</u> |
| | | | |
| 92.71% | 83.36% | 82.54% | 82.94% |
| 15.94% | 7.23% | 0.70% | 6.11% |
| 5,680,410 | 5,444,324 | 6,128,720 | 6,124,324 |
| 76.41% | 178.42% | 159.90% | 156.18% |

BRISTOL TOWNSHIP

SCHEDULE OF CHANGES IN NET NONUNIFORM PENSION LIABILITY (ASSET)

Year ended December 31

| | Measurement | | |
|---|---------------------|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| TOTAL PENSION LIABILITY | | | |
| Service cost | \$ 247,673 | \$ 250,433 | \$ 231,385 |
| Interest on total pension liability | 325,172 | 319,744 | 295,452 |
| Changes of benefits | - | 64,047 | - |
| Differences between expected and actual experience | (47,299) | (8,053) | - |
| Changes of assumptions | - | - | - |
| Transfers | - | 10,289 | (10,235) |
| Benefit payments, including refunds of member contributions | <u>(336,554)</u> | <u>(221,066)</u> | <u>(160,025)</u> |
| Net change in total pension liability | 188,992 | 415,394 | 356,577 |
| Total pension liability, beginning | <u>6,399,102</u> | <u>5,983,708</u> | <u>5,627,131</u> |
| Total pension liability, ending | <u>\$ 6,588,094</u> | <u>\$ 6,399,102</u> | <u>\$ 5,983,708</u> |
| PLAN FIDUCIARY NET POSITION | | | |
| Employer contributions | \$ (62.00) | \$ - | \$ - |
| Contributions - PMRS assessment | 100 | 1,640 | 1,600 |
| Employee contributions | 139,193 | 142,259 | 129,231 |
| PMRS investment income | 330,706 | 327,254 | 307,359 |
| Market value investment income | 902,833 | (677,955) | 676,912 |
| Transfers | - | 10,289 | (10,235) |
| Benefit payments | (336,554) | (221,066) | (160,025) |
| PMRS administrative expense | (100) | (1,560) | (1,560) |
| Additional administrative expense | <u>(11,431)</u> | <u>(14,604)</u> | <u>(14,135)</u> |
| Net change in plan fiduciary net position | 1,024,685 | (433,743) | 929,147 |
| Fiduciary net position, beginning | <u>6,084,575</u> | <u>6,518,318</u> | <u>5,589,171</u> |
| Fiduciary net position, ending | <u>\$ 7,109,260</u> | <u>\$ 6,084,575</u> | <u>\$ 6,518,318</u> |
| Net pension liability (asset) | <u>\$ (521,166)</u> | <u>\$ 314,527</u> | <u>\$ (534,610)</u> |
| Fiduciary net position as a % of total pension liability | 107.91% | 95.08% | 108.93% |
| Covered payroll | 2,196,935 | 2,240,212 | 2,088,573 |
| Net pension liability (asset) as a % of covered payroll | -23.72% | 14.04% | -25.60% |

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

Date

| 2016 | 2015 | 2014 |
|---------------------|---------------------|---------------------|
| \$ 198,014 | \$ 194,014 | \$ 194,791 |
| 288,554 | 280,378 | 266,574 |
| - | - | - |
| (47,906) | (86,380) | (61,520) |
| 34,807 | 16,453 | - |
| - | - | - |
| <u>(207,311)</u> | <u>(198,779)</u> | <u>(416,448)</u> |
| 266,158 | 205,686 | (16,603) |
| <u>5,360,973</u> | <u>5,155,287</u> | <u>5,171,890</u> |
| <u>\$ 5,627,131</u> | <u>\$ 5,360,973</u> | <u>\$ 5,155,287</u> |
| | | |
| \$ 17,384 | \$ 13,340 | \$ 94,343 |
| 1,660 | 1,520 | - |
| 109,569 | 103,009 | 101,949 |
| 306,029 | 298,000 | 282,910 |
| 138,191 | (353,084) | (2,986) |
| - | - | (5,156) |
| (207,311) | (198,779) | (416,448) |
| (1,540) | (1,520) | (1,500) |
| <u>(14,993)</u> | <u>(12,423)</u> | <u>(10,849)</u> |
| 348,989 | (149,937) | 42,263 |
| <u>5,240,182</u> | <u>5,390,119</u> | <u>5,347,856</u> |
| <u>\$ 5,589,171</u> | <u>\$ 5,240,182</u> | <u>\$ 5,390,119</u> |
| | | |
| <u>\$ 37,960</u> | <u>\$ 120,791</u> | <u>\$ (234,832)</u> |
| | | |
| 99.33% | 97.75% | 104.56% |
| 1,802,117 | 1,888,016 | 1,852,666 |
| | | |
| 2.11% | 6.40% | -12.68% |

BRISTOL TOWNSHIP**SCHEDULE OF TOWNSHIP POLICE PENSION CONTRIBUTIONS**

Year ended December 31,

Police Pension Fund

| Fiscal Year Ended December 31 | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a Percentage of Covered Payroll |
|--|--|---|---|----------------------------|--|
| 2014 | \$ 1,739,662 | \$ 1,739,662 | \$ - | \$ 6,124,324 | 28.41% |
| 2015 | 2,219,238 | 2,219,238 | - | 6,128,720 | 36.21% |
| 2016 | 1,617,617 | 1,681,425 | (63,808) | 5,444,324 | 30.88% |
| 2017 | 1,511,398 | 1,511,398 | - | 5,680,410 | 26.61% |
| 2018 | 1,505,029 | 1,505,029 | - | 5,600,000 | 26.88% |
| 2019 | 1,876,804 | 1,876,804 | - | 6,083,910 | 30.85% |
| 2020 | 1,424,524 | 1,424,524 | - | 5,823,442 | 24.46% |

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

BRISTOL TOWNSHIP**SCHEDULE OF TOWNSHIP NONUNIFORM PENSION CONTRIBUTIONS**

Year ended December 31,

Nonuniform Pension Fund

| Measurement Date Fiscal Year Ended December 31 | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a Percentage of Covered Payroll |
|---|--|---|---|----------------------------|--|
| 2014 | \$94,342 | \$94,343 | \$ (1) | \$ 1,852,666 | 5.09% |
| 2015 | 92,525 | 14,860 | 77,665 | 1,888,016 | 0.79% |
| 2016 | 89,985 | 19,044 | 70,941 | 1,802,117 | 1.06% |
| 2017 | 103,714 | 1,600 | 102,114 | 2,088,573 | 0.08% |
| 2018 | 109,734 | 1,640 | 108,094 | 2,240,212 | 0.07% |
| 2019 | 108,580 | 38 | 108,542 | 2,196,935 | 0.00% |

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

BRISTOL TOWNSHIP**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**

Year ended December 31,

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|----------------------|
| TOTAL OPEB LIABILITY | | | |
| Service cost | \$ 1,519,622 | \$ 1,652,125 | \$ 1,381,774 |
| Interest on total OPEB liability | 2,400,853 | 2,190,349 | 2,271,305 |
| Differences between expected and actual experience | (5,894,784) | - | - |
| Changes of assumptions | 4,616,350 | (5,260,420) | 5,901,068 |
| Benefit payments | <u>(1,880,130)</u> | <u>(1,720,347)</u> | <u>(1,743,176)</u> |
| Net change in total OPEB liability | 761,911 | (3,138,293) | 7,810,971 |
| Total OPEB liability, beginning | <u>65,456,337</u> | <u>68,594,630</u> | <u>60,783,659</u> |
| Total OPEB liability, ending | <u>\$ 66,218,248</u> | <u>\$ 65,456,337</u> | <u>\$ 68,594,630</u> |
| Fiduciary net position as a % of total OPEB liability | 0.00% | 0.00% | 0.00% |
| Covered payroll | \$ 8,882,138 | \$ 7,814,536 | \$ 7,814,536 |
| OPEB liability as a % of covered payroll | 745.52% | 837.62% | 877.78% |

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

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BRISTOL TOWNSHIP

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES

December 31, 2020

| | Special Revenue Funds | | | | | |
|---|-------------------------|-------------------------|--|-------------------------|-------------------------|----------------------------------|
| | Fire Fund | Rescue Fund | Parks and Recreation Operating Fund | Grant Fund | DEA Fund | Community Development Fund |
| ASSETS | | | | | | |
| Cash | \$ 33,025 | \$ 7,095 | \$ 1,257,787 | (79,755) | \$ 46,956 | \$ 259,476 |
| Taxes receivable, net | 42,269 | 11,624 | 19,021 | - | - | - |
| Accounts receivable, net | - | - | 3,973 | - | - | - |
| Due from other governments | - | - | - | 151,763 | - | 241,416 |
| Total assets | <u>\$ 75,294</u> | <u>\$ 18,719</u> | <u>\$ 1,280,781</u> | <u>\$ 72,008</u> | <u>\$ 46,956</u> | <u>\$ 500,892</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 33,020 | \$ 7,094 | \$ 9,474 | \$ 26,228 | \$ - | \$ 6,600 |
| Due to other funds | - | - | 2,594 | - | - | 258,886 |
| Unearned revenue | - | - | 2,994 | - | 9,708 | 9,631 |
| Total liabilities | <u>33,020</u> | <u>7,094</u> | <u>15,062</u> | <u>26,228</u> | <u>9,708</u> | <u>275,117</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenues - property taxes | <u>41,491</u> | <u>11,410</u> | <u>18,671</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Restricted for | | | | | | |
| Communications | - | - | - | 45,780 | - | - |
| Law enforcement | - | - | - | - | 37,248 | - |
| Road improvements and maintenance | - | - | - | - | - | - |
| Community development | - | - | - | - | - | 225,775 |
| Public safety | 783 | 215 | - | - | - | - |
| Committed for | | | | | | |
| Capital projects | - | - | - | - | - | - |
| Parks and recreation | - | - | 1,247,048 | - | - | - |
| Street lights | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Blighted properties | - | - | - | - | - | - |
| Total fund balances | <u>783</u> | <u>215</u> | <u>1,247,048</u> | <u>45,780</u> | <u>37,248</u> | <u>225,775</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 75,294</u> | <u>\$ 18,719</u> | <u>\$ 1,280,781</u> | <u>\$ 72,008</u> | <u>\$ 46,956</u> | <u>\$ 500,892</u> |

| Home Partnership Fund | Street Lights Fund | Education Service Agency Fund | Blighted Properties Fund | Capital Projects Funds | | Total |
|-----------------------|--------------------|-------------------------------|--------------------------|---|------------------------|---------------------|
| | | | | Parks and Recreation Capital Reserve Fund | Curb and Sidewalk Fund | |
| \$ 4,046 | \$ 396,077 | \$ 61,787 | \$ 639,206 | \$ 64,510 | \$ 27,743 | \$ 2,717,953 |
| - | 26,379 | - | - | - | - | 99,293 |
| - | 43,735 | 21,234 | - | - | 17,900 | 86,842 |
| - | - | - | - | - | - | 393,179 |
| <u>\$ 4,046</u> | <u>\$ 466,191</u> | <u>\$ 83,021</u> | <u>\$ 639,206</u> | <u>\$ 64,510</u> | <u>\$ 45,643</u> | <u>\$ 3,297,267</u> |
| | | | | | | |
| \$ 299 | \$ 52,144 | \$ - | \$ 16,274 | \$ - | \$ - | \$ 151,133 |
| - | - | - | 205,434 | - | - | 466,914 |
| - | 43,735 | 21,234 | - | - | - | 87,302 |
| <u>299</u> | <u>95,879</u> | <u>21,234</u> | <u>221,708</u> | <u>-</u> | <u>-</u> | <u>705,349</u> |
| | | | | | | |
| - | 26,379 | - | - | - | - | 97,951 |
| | | | | | | |
| - | - | - | - | - | - | 45,780 |
| - | - | - | - | - | - | 37,248 |
| | | | | | | |
| - | - | - | - | - | - | - |
| 3,747 | - | - | - | - | - | 229,522 |
| - | - | - | - | - | - | 998 |
| | | | | | | |
| - | - | - | - | - | 45,643 | 45,643 |
| - | - | - | - | 64,510 | - | 1,311,558 |
| - | 343,933 | - | - | - | - | 343,933 |
| - | - | 61,787 | - | - | - | 61,787 |
| - | - | - | 417,498 | - | - | 417,498 |
| <u>3,747</u> | <u>343,933</u> | <u>61,787</u> | <u>417,498</u> | <u>64,510</u> | <u>45,643</u> | <u>2,493,967</u> |
| | | | | | | |
| <u>\$ 4,046</u> | <u>\$ 466,191</u> | <u>\$ 83,021</u> | <u>\$ 639,206</u> | <u>\$ 64,510</u> | <u>\$ 45,643</u> | <u>\$ 3,297,267</u> |

BRISTOL TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUND TYPES**

Year ended December 31, 2020

| | Special Revenue Funds | | | | | |
|--|-----------------------|----------------|--|------------------|------------------|----------------------------------|
| | Fire Fund | Rescue Fund | Parks and Recreation Operating Fund | Grant Fund | DEA Fund | Community Development Fund |
| REVENUES | | | | | | |
| Taxes | \$ 834,090 | \$ 229,375 | \$ 375,340 | \$ - | \$ - | \$ - |
| Intergovernmental revenues | 301,861 | - | - | 279,428 | - | 335,324 |
| Charges for services | - | - | 18,127 | - | - | - |
| Investment income and rent | - | - | 12,833 | - | 470 | 1,928 |
| Miscellaneous | - | - | 1,965 | - | - | 79,428 |
| Total revenues | <u>1,135,951</u> | <u>229,375</u> | <u>408,265</u> | <u>279,428</u> | <u>470</u> | <u>416,680</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Public safety | 1,135,168 | 229,160 | - | 46,468 | - | - |
| Public works | - | - | - | - | - | - |
| Community development | - | - | - | - | - | 282,702 |
| Culture and recreation | - | - | 337,974 | 234,137 | - | - |
| Total expenditures | <u>1,135,168</u> | <u>229,160</u> | <u>337,974</u> | <u>280,605</u> | <u>-</u> | <u>282,702</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>783</u> | <u>215</u> | <u>70,291</u> | <u>(1,177)</u> | <u>470</u> | <u>133,978</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | 10,000 | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 783 | 215 | 80,291 | (1,177) | 470 | 133,978 |
| FUND BALANCES | | | | | | |
| Beginning of year | - | - | 1,166,757 | 46,957 | 36,778 | 91,797 |
| End of year | <u>\$ 783</u> | <u>\$ 215</u> | <u>\$ 1,247,048</u> | <u>\$ 45,780</u> | <u>\$ 37,248</u> | <u>\$ 225,775</u> |

| | | | | Capital Projects Funds | | |
|------------------------------|---------------------------|--------------------------------------|---------------------------------|--|-------------------------------|---------------------|
| Home Partnership Fund | Street Lights Fund | Education Service Agency Fund | Blighted Properties Fund | Parks and Recreation Capital Reserve Fund | Curb and Sidewalk Fund | Total |
| \$ - | \$ 507,220 | \$ - | \$ - | \$ - | \$ - | \$ 1,946,025 |
| - | - | - | - | - | - | 916,613 |
| - | - | 91,727 | - | - | - | 109,854 |
| - | 4,423 | - | 2,642 | 654 | 274 | 23,224 |
| - | 41,525 | - | 88,528 | - | - | 211,446 |
| - | 553,168 | 91,727 | 91,170 | 654 | 274 | 3,207,162 |
| - | - | 136,506 | - | - | - | 1,547,302 |
| - | 529,981 | - | 271,099 | - | - | 801,080 |
| - | - | - | - | - | - | 282,702 |
| - | - | - | - | - | - | 572,111 |
| - | 529,981 | 136,506 | 271,099 | - | - | 3,203,195 |
| - | 23,187 | (44,779) | (179,929) | 654 | 274 | 3,967 |
| - | - | 68,253 | 410,000 | - | - | 488,253 |
| - | (25,000) | - | - | (10,000) | - | (35,000) |
| - | (25,000) | 68,253 | 410,000 | (10,000) | - | 453,253 |
| - | (1,813) | 23,474 | 230,071 | (9,346) | 274 | 457,220 |
| 3,747 | 345,746 | 38,313 | 187,427 | 73,856 | 45,369 | 2,036,747 |
| <u>\$3,747</u> | <u>\$ 343,933</u> | <u>\$ 61,787</u> | <u>\$ 417,498</u> | <u>\$ 64,510</u> | <u>\$ 45,643</u> | <u>\$ 2,493,967</u> |



**INDEPENDENT AUDITOR'S 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**

**Township Council
Bristol Township
Bristol, Pennsylvania**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bristol Township, Bristol, Pennsylvania (the "**Township**"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BBD, LLP

**Philadelphia, Pennsylvania
November 8, 2021**