

CITY OF BRISTOL, FLORIDA
AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**CITY OF BRISTOL, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the City Members of Bristol
City of Bristol, Florida:

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bristol, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and utility fund of the City as of September 30, 2022, 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.

Unmodified Opinion of the General Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the City as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Fund

As discussed in Note 9 to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the utility fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the utility fund, has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted audited standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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.

Management has omitted the schedule of changes in the City's total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 26, 2023

**CITY OF BRISTOL, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

As management of the City of Bristol, Florida (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

The assets of the City, as reported in the government-wide financial statements, exceeded the liabilities as of September 30, 2022, by \$8,067,552 (net position). This amount represents an increase of \$403,962 from the prior year.

The half-cent voted Fire Services Sales Surtax (“Fire Surtax”) was assessed in Liberty County beginning January 1, 2018. The City received \$49,659 in Fire Surtax revenue for the fiscal year ending September 30, 2021, and \$95,920 for the fiscal year ending September 30, 2022. The Fire Surtax is restricted for the use of expenses or capital related to providing emergency fire services. In the fiscal year ending September 30, 2021 the City spent \$35,045 of the Fire Surtax received. In the fiscal year ending September 30, 2022 the City spent \$109,062 of the Fire Surtax revenue it received. The restricted fund balance as of September 30, 2022 is \$1,472.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 City’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon 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).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, physical environment, and culture and recreation. The business-type activities of the City include water, wastewater, and garbage operations.

The government-wide financial statements can be found on pages 12-13 of this report.

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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 government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions.

The City maintains one individual governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is considered to be a major fund.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financials statements. The City uses the enterprise fund to account for its water, wastewater and garbage operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater, and garbage operations, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information and pension liability. Required information can be found on pages 39-43 of this report.

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$8,067,552 at the close of the most recent fiscal year.

A large portion of the City's net position (93.53%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

CITY OF BRISTOL, FLORIDA'S NET POSITION

	Governmental Activities		
	2021	2022	Increase (Decrease)
Current and Other assets	\$ 690,034	\$ 987,365	\$ 297,331
Capital assets	2,177,851	2,472,805	294,954
Total assets	2,867,885	3,460,170	592,285
Deferred outflows	39,029	50,441	11,412
Long-term liabilities outstanding	181,846	147,646	(34,200)
Other liabilities	351,714	677,106	325,392
Net pension liabilities	67,932	190,395	122,463
Total liabilities	601,492	1,015,147	413,655
Deferred inflows	151,778	(31,213)	(182,991)
Net position:			
Net investment in capital assets	1,996,005	2,309,186	313,181
Restricted	79,186	178,160	98,974
Unrestricted	78,453	39,330	(39,123)
Total net position	\$ 2,153,644	\$ 2,526,677	\$ 373,033

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CITY OF BRISTOL, FLORIDA'S NET POSITION

	Business-Type Activities		
	2021	2022	Increase (Decrease)
Current and Other assets	\$ 553,282	\$ 525,893	\$ (27,389)
Capital assets	7,836,727	7,710,443	(126,284)
Total assets	8,390,009	8,236,335	(153,674)
Deferred outflows	44,777	59,213	14,436
Long-term liabilities outstanding	2,539,000	2,474,000	(65,000)
Other liabilities	129,993	93,808	(36,185)
Net pension liabilities	78,341	223,507	145,166
Total liabilities	2,747,334	2,791,316	43,982
Deferred inflows	177,505	(36,643)	(214,148)
Net position:			
Net investment in capital assets	5,297,727	5,236,443	(61,284)
Restricted	286,212	292,353	6,141
Unrestricted	(73,992)	12,080	86,072
Total net position	\$ 5,509,947	\$ 5,540,877	\$ 30,929

An additional portion of the City's net position, \$470,513, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental activities increased the City's net position by \$373,033 in the most recent fiscal year.

Key elements of this change include additional investments in capital assets and an increase in capital grants.

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CITY OF BRISTOL, FLORIDA'S CHANGES IN NET POSITION

	Governmental Activities		
	2021	2022	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for Services	\$ 72,478	\$ 17,153	\$ (55,325)
Operating grants and contributions	-	20,576	20,576
Capital grants and contributions	251,504	684,989	433,485
General Revenues:			
Taxes, licenses, and permits	287,003	365,232	78,229
Intergovernmental and other	188,632	188,362	(270)
Total revenues	<u>799,617</u>	<u>1,276,312</u>	<u>476,695</u>
Expenses:			
General Government	337,157	455,527	118,370
Transportation	114,521	91,829	(22,692)
Public Safety	87,558	194,167	106,609
Physical Environment	16,000	168,919	152,919
Culture and recreation	900	1,594	694
Interest on long-term debt	7,034	4,183	(2,851)
Business-type activities	-	-	-
Total expenses	<u>563,170</u>	<u>916,219</u>	<u>353,049</u>
Excess (deficiency) of revenues over (under) expenditures	236,447	360,093	123,646
Other financing sources (uses)			
Transfer in	-	12,940	12,940
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>12,940</u>	<u>12,940</u>
Increase (decrease) in net position	<u>236,447</u>	<u>373,033</u>	<u>136,586</u>
Net position, beginning of year	1,917,197	2,153,643	236,446
Net position, end of year	<u>\$ 2,153,644</u>	<u>\$ 2,526,676</u>	<u>\$ 373,032</u>

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CITY OF BRISTOL, FLORIDA'S CHANGES IN NET POSITION

	Business-Type Activities		
	2021	2022	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for Services	\$ 708,556	\$ 805,291	\$ 96,735
Operating grants and contributions	-	-	-
Capital grants and contributions	587,806	107,532	(480,274)
General Revenues:			
Taxes, licenses, and permits	-	-	-
Intergovernmental and other	370	881	511
Total revenues	<u>1,296,732</u>	<u>913,704</u>	<u>(383,028)</u>
Expenses:			
General Government	-	-	-
Transportation	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Culture and recreation	-	-	-
Interest on long-term debt	-	-	-
Business-type activities	<u>900,084</u>	<u>869,835</u>	<u>(30,249)</u>
Total expenses	<u>900,084</u>	<u>869,835</u>	<u>(30,249)</u>
Excess (deficiency) of revenues over (under) expenditures	396,648	43,869	(352,779)
Other financing sources (uses)			
Transfer in	-	-	-
Transfers out	<u>-</u>	<u>(12,940)</u>	<u>(12,940)</u>
Total other financing sources (uses)	<u>-</u>	<u>(12,940)</u>	<u>(12,940)</u>
Increase (decrease) in net position	<u>396,648</u>	<u>30,929</u>	<u>(365,719)</u>
Net position, beginning of year	5,113,299	5,509,947	396,648
Net position, end of year	<u>\$ 5,509,947</u>	<u>\$ 5,540,876</u>	<u>\$ 30,929</u>

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Business-type Activities

Business-type activities increased the City's net position by \$30,929 in the most recent fiscal year.

The key element of this change is an increase in charges for services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental fund reported an ending fund balance of \$2,526,677, an increase of \$373,033 in comparison with the prior year. \$39,330 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of the City.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Fund at the end of the year amounted to \$12,080. The total increase in net position for the fund was \$30,929. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

GENERAL BUDGETARY HIGHLIGHTS

The City did not amend its budget during the current year. The City underspent the annual budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$7,545,629 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and roads. The City's investment in capital assets increased \$251,897 in the current year.

Additional information on the City's capital assets can be found in Note 4, on pages 29-30 of this report.

**CITY OF BRISTOL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Long-term Debt

At the end of the current fiscal year, the City had long-term debt outstanding of \$3,071,056.

**City of Bristol, Florida
Outstanding Debt, Capital Improvement and Revenue Bonds**

	Governmental Activities	Business-type Activities	Total
Revenue bonds payable	\$ 158,263	\$ 2,474,000	\$ 2,632,263
Notes payable	5,356	-	5,356
Line of credit	-	-	-
Accrued annual leave	7,678	11,856	19,534
Net pension liability	190,395	223,507	413,902
Total	<u>\$ 361,692</u>	<u>\$ 2,709,363</u>	<u>\$ 3,071,056</u>

Additional information on the City's long-term debt can be found in Note 5 on pages 30-31 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

All of the following factors were considered in preparing the City's budget for the 2022-2023 fiscal year:

- Anticipated receipt of 100% of ad-valorem assessments
- Anticipated intergovernmental revenue based upon revenue accounting estimates calculated by the Florida Department of Revenue's Office of Tax Research
- Balances carried forward from prior year
- Estimated revenue for water, sewer, and solid waste services based upon historical data and the current rate schedule and proposed amended rate schedule
- Inflation trends
- Payment of principal and interest on a 2004 Bond Series and a 2007 Bond Series obligating water and sewer revenue; and reserve balances required by the Bond Issuance Covenants
- Vehicle and equipment needs of the City
- Wastewater and water testing requirements
- Anticipated FRS Employer Contribution Rates
- Other anticipated operating expenses including repair and maintenance of the City's lift station and water/sewer plants
- Anticipated receipt of grant funds and costs of capital improvement projects, repairs, and grant deliverables
- Current and anticipated debt service requirements

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Bristol, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City Clerk, P.O. Box 207, Bristol, FL 32321.

CITY OF BRISTOL, FLORIDA
BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

CITY OF BRISTOL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Cash and Cash Equivalents	\$ 321,620	\$ 72,309	\$ 393,929
Certificates of Deposit	84,448	-	84,448
Accounts Receivables, Net	-	92,687	92,687
Due from Other Governments	470,114	18,000	488,114
Due from Other Funds	-	40,461	40,461
Inventories	-	10,083	10,083
Prepays	17,471	-	17,471
Restricted Assets:			
Cash and Cash Equivalents	93,713	292,353	386,066
Capital Assets, Not Being Depreciated	75,097	531,955	607,052
Capital Assets, Being Depreciated (Net)	2,397,708	7,178,488	9,576,196
Total Assets	3,460,170	8,236,335	11,696,506
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	50,441	59,213	109,654
Liabilities			
Accounts Payable and Other Current Liabilities	142,734	4,451	147,184
Due to Other Funds	40,461	-	40,461
Compensated Absences	7,678	11,856	19,534
Accrued Interest Payable	-	9,421	9,421
Deferred Grant Revenue	470,261	-	-
Utility Deposits	-	68,080	68,080
Net Pension Liability	190,395	223,507	413,902
Noncurrent Liabilities:			
Due within one year	15,973	-	15,973
Due in more than one year	147,646	2,474,000	2,621,646
Total Liabilities	1,015,147	2,791,316	3,336,202
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	(31,213)	(36,643)	(67,856)
Net Position			
Net Investment in Capital Assets	2,309,186	5,236,443	7,545,629
Restricted for:			
Debt Service	93,713	292,353	386,066
Infrastructure	84,447	-	84,447
Unrestricted	39,330	12,080	51,410
Total Net Position	\$ 2,526,676	\$ 5,540,876	\$ 8,067,552

See accompanying notes to basic financial statements.

**CITY OF BRISTOL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General Government	\$ 455,527	\$ -	\$ 20,576	\$ 256,086	\$ (178,865)	\$ -	\$ (178,865)
Transportation	91,829	17,153	-	399,082	324,406	-	324,406
Public Safety	194,167	-	-	-	(194,167)	-	(194,167)
Physical Environment	168,919	-	-	29,821	(139,098)	-	(139,098)
Culture and Recreation	1,594	-	-	-	(1,594)	-	(1,594)
Interest on Long-term Debt	4,183	-	-	-	(4,183)	-	(4,183)
Total Governmental Activities	916,219	17,153	20,576	684,989	(193,501)	-	(193,501)
Business- Type Activities	869,835	805,291	-	107,532	-	42,988	42,988
Total Primary Government	\$ 1,786,054	\$ 822,444	\$ 20,576	\$ 792,520	\$ (193,501)	\$ 42,988	\$ (150,513)
General Revenues							
Taxes							
Property Taxes					\$ 166,117	\$ -	\$ 166,117
Franchise and Utility Taxes					71,223	-	71,223
Discretionary Sales surtax					76,440	-	76,440
Local Option Gas Tax					51,451	-	51,451
Sales tax and Other Shared Revenues					165,814	-	165,814
Unrestricted Investment Earnings and Other					22,548	881	23,429
Transfers					12,940	(12,940)	-
Total General Revenues and Transfers					566,534	(12,059)	554,475
Change in Net Position					373,033	30,929	403,962
Net Position, Beginning of Year					2,153,643	5,509,947	7,663,590
Net Position, End of Year					\$ 2,526,676	\$ 5,540,876	\$ 8,067,552

See accompanying notes to basic financial statements.

CITY OF BRISTOL, FLORIDA
BALANCE SHEET-GOVERNMENTAL FUND
SEPTEMBER 30, 2022

	General Fund
Assets	
Cash and Cash Equivalent	\$ 321,620
Certificates of Deposit	84,448
Receivables (Net)	-
Due from Other Governments	470,114
Due from Other Funds	-
Prepaid Items	17,471
Restricted:	
Cash and Cash Equivalent	93,713
Certificate of Deposit	-
Total Assets	987,365
Liabilities and Fund Balance	
Liabilities	
Accounts Payable and Accrued Expenses	142,734
Due to Other Funds	40,461
Deferred Revenue	470,261
	653,455
Fund Balance	
Nonspendable	17,471
Restricted for Debt Service	92,241
Restricted for Fire Protection	1,472
Unassigned	222,726
Total Fund Balance	333,910
Total Liabilities and Fund Balance	\$ 987,365

See accompanying notes to basic financial statements.

**CITY OF BRISTOL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Total Fund Balances of Governmental Funds	\$ 333,910
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Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	2,472,805
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Net pension liability and related deferred inflows/outflows are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred Outflows	50,441	
Net Pension Liability	(190,395)	
Deferred Inflows	<u>31,213</u>	(108,741)

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

Accrued Annual Leave	(7,678)	
Notes Payable - Equipment	(5,356)	
Bond Payable	<u>(158,263)</u>	(171,297)

Total Net Position of Governmental Activities	<u><u>\$ 2,526,677</u></u>
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CITY OF BRISTOL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund
Revenues	
Taxes	\$ 365,232
Licenses and Permits	10,586
Intergovernmental Revenues	860,793
Charges for Services	17,153
Miscellaneous Revenues	22,548
Total Revenues	<u>1,276,312</u>
Expenditures	
Current:	
General Government	511,538
Transportation	16,481
Public Safety	130,253
Physical Environment	168,919
Culture and Recreation	1,594
Debt Service:	
Principal	18,227
Interest	4,183
Capital Outlay	449,951
Total Expenditures	<u>1,301,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,834)</u>
Other Financing Sources (Uses)	
Proceeds from Long-term Debt	-
Transfer In	12,940
Transfer Out	-
Total Other Financing Sources (Uses)	<u>12,940</u>
Net Change in Fund Balances	(11,894)
Fund Balances, Beginning of Year	<u>345,804</u>
Fund Balances, End of Year	<u><u>\$ 333,910</u></u>

See accompanying notes to basic financial statements.

CITY OF BRISTOL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ (11,894)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:

Capital Outlay	449,951	
Depreciation Expense	<u>(154,997)</u>	294,954

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

Changes in:

Net Pension Liability	(122,463)	
Deferred outflows related to net pension liability	11,412	
Deferred inflows related to net pension liability	<u>182,991</u>	71,940

The issuance of long-term debt provides current financial resources to the governmental funds, while it has no effect on the statement of activities.

-

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. This amount is the net effect of the differences in the treatment of long-term debt in the current period:

Principal Repayments:		
Line of Credit and Notes Payable	18,227	
Accrued Annual Leave	<u>(194)</u>	<u>18,033</u>

Change in Net Position of Governmental Activities

\$ 373,033

**CITY OF BRISTOL, FLORIDA
STATEMENT OF NET POSITION
PROPREITARY FUND
SEPTEMBER 30, 2022**

	<u>Utility Fund</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 72,309
Receivables (Net)	92,687
Due from Other Governments	18,000
Due from Other Funds	40,461
Inventories	10,083
Total Current Assets	<u>233,540</u>
Noncurrent Assets	
Restricted Assets	
Cash and Cash Equivalents	292,353
Capital Assets, Net	7,710,443
Total Noncurrent Assets	<u>8,002,796</u>
Total Assets	<u>8,236,335</u>
 Deferred Outflows	
Deferred Outflows Related to Pensions	<u>59,213</u>
 Liabilities	
Current Liabilities	
Accounts Payable and Accrued Expenses	4,451
Due to Other Funds	-
Compensated Absences	11,856
Payable from Restricted Assets	
Current Portion of Long-term Debt	-
Accrued Interest	9,421
Utility Deposits	68,080
Total Current Liabilities	<u>93,808</u>
Noncurrent Liabilities	
Revenue Bonds Payable, Long-term Portion	2,474,000
Net Pension Liability	223,507
Total Noncurrent Liabilities	<u>2,697,507</u>
Total Liabilities	<u>2,791,316</u>
 Deferred Inflows	
Deferred Inflows Related to Pensions	<u>(36,643)</u>
 Net Position	
Net Investment in Capital Assets	5,236,443
Restricted for Debt Service	292,353
Unrestricted	12,080
Total Net Position	<u>\$ 5,540,876</u>

See accompanying notes to basic financial statements.

CITY OF BRISTOL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Utility Fund</u>
Operating Revenues	
Water revenue	\$ 335,957
Wastewater revenue	297,775
Garbage revenue	171,559
Total Operating Revenue	<u>805,291</u>
Operating Expenses	
Garbage contract	147,416
Depreciation	216,309
Salaries	131,219
Utilities	48,718
Repairs and maintenance	85,891
Insurance	25,200
Supplies	35,830
Professional fees	8,250
Water testing and permits	35,463
Office expense	21,287
Telephone	4,929
Total Operating Expenses	<u>760,511</u>
Operating Income (Loss)	<u>44,780</u>
Non-Operating Revenues (Expenses)	
Capital Grants	107,532
Investment earnings	881
Interest expense	(109,324)
Total Non-Operating Revenues (Expenses)	<u>(911)</u>
Income Before Transfers	<u>43,869</u>
Operating Transfers	
Transfers In	-
Transfers Out	(12,940)
Total Operating Transfers	<u>(12,940)</u>
Change in Net Position	<u>30,929</u>
Net Position, Beginning of Year	<u>5,509,947</u>
Net Position, End of Year	<u>\$ 5,540,876</u>

See accompanying notes to basic financial statements.

**CITY OF BRISTOL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Utility Fund</u>
Cash Flows from Operating Activities	
Cash received from customers	\$ 659,845
Cash paid to employees	(131,219)
Cash paid to suppliers	(412,983)
Net Cash Provided by (Used in) Operating Activities	<u>115,643</u>
Cash Flows from Noncapital Financing Activities	
Operating transfers out	(12,940)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(12,940)</u>
Cash Flows from Capital and Related Financing Activities	
Grant revenue	107,532
Principal paid on long-term debt	(65,000)
Interest paid on long-term debt	(109,324)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(66,792)</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	(90,025)
Interest on investments	881
Net Cash Provided from Investing	<u>(89,144)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(53,233)
Cash and Cash Equivalents, Beginning of Year	417,895
Cash and Cash Equivalents, End of Year	<u>\$ 364,662</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>	
Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 44,780
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	216,309
(Increase) decrease in accounts receivable	(25,843)
Increase (decrease) in net pension liability	145,166
Increase (decrease) in deferred inflows	(214,148)
(Increase) decrease in deferred outflows	(14,436)
Increase (decrease) in accounts payable and accrued expenses	(30,805)
Increase (decrease) in utility deposits	2,499
Increase (decrease) in compensated absences	(7,878)
Total adjustments	<u>70,864</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 115,644</u>

See accompanying notes to basic financial statements.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The City of Bristol, Florida (the “City”) was originally established by Chapter 165, Laws of Florida, and is a political subdivision of the State of Florida located in Liberty County. The legislative branch of the City is composed of a five-member elected City Council and an elected Mayor. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Clerk.

The City’s major operations include water, wastewater and garbage utility service, as well as public safety, transportation, culture and recreation, physical environment and general government services. As required by accounting principles generally accepted in the United States of America, these financial statements present the City only, since there are no entities for which the City is considered to be financially accountable.

Government-wide and Fund Financial Statements

The government-wide statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Basis of Presentation

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes, where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water, sewer, and garbage functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City’s funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental fund:

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

The City reports the following major proprietary fund:

- Utility Fund – The fund accounts for the activities of the government’s water distribution operations, sewer collection operations, and garbage pick-up services.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities’ column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported 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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The appropriated budget is prepared by fund, function, and department. The City's management may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Deposits and Investments

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

State statutes authorize the City to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, SEC registered money market funds with the highest credit quality rating and savings and certificate of deposit accounts in state-certified public depositories.

Investments for the City are reported at fair value.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Prepaid Items

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

Inventories

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For financial reporting purposes, capital assets are defined by the City as assets with an initial, individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of two years. For financial reporting purposes, infrastructure assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) acquired after September 30, 2003, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated 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 repair that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Public Domain Infrastructure	20-40
System Infrastructure	10-50
Vehicles, Furniture, Equipment, and Software	5-7

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Compensated Absences

All full-time, permanent employees are granted vacation benefits in varying amounts depending on tenure with the City. Sick leave accrues to full-time, permanent employees. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and a maximum of 160 hours accrued vacation leave upon termination.

Vacation and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

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

Net Pension Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making. The City Council is the highest level of decision-making for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Deferred Outflows/Inflows of Resources and Pensions

In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectfully. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 8 for more information on Pension Related Deferred Inflows and Outflows.

For purposes of measuring the new pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS's fiduciary net position have been determine on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 1 – Summary of Significant Accounting Policies (Concluded)

Use of Estimates

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

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include:

- Charges to customers or applicants for goods, services, or privileges provided
- Operating grants and contributions
- Capital grants and contributions, including special assessments

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Property Taxes

Property taxes are billed and collected for the City, by the Liberty County Tax Collector, according to Florida Statute under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1 of the following year

Proprietary Funds Operating and Non-Operating Revenues and Expenses

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

Recently Issued Auditing Standards

For the year ended September 30, 2022, GASB issued Statement No. 87, *Leases*, which requires lessees to recognize certain lease assets and liabilities for leases that previously were classified as operating leases based on the foundational principle that leases are financings of the right-to-use an underlying asset. Similarly, GASB No. 87, also requires lessors to recognize certain lease assets and deferred inflows of resources for leases meeting the same recognition principles. For the year ended September 30, 2022, the City did not have any leases that met the requirements to implement GASB 87.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 2 – Deposits

At year end, the carrying amount of the City's deposits was \$864,443. The bank balance was covered by Federal depository insurance or by collateral held by the City's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

	General Fund	Utility Fund	Total
Cash and Cash Equivalents:			
Cash	\$ 321,620	\$ 72,309	\$ 393,929
Certificates of Deposit	84,448	-	84,448
Restricted Cash:			
Debt Services	93,713	292,353	386,066
Total Cash and Cash Equivalents	<u>\$ 499,781</u>	<u>\$ 364,662</u>	<u>\$ 864,443</u>

Note 3 – Receivables

Receivables as of September 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Utility Fund	Total
Accounts Receivable, net	\$ -	\$ 92,687	\$ 92,687
Due from Other Governments	470,114	18,000	488,114
Total Receivables, net	<u>\$ 470,114</u>	<u>\$ 110,687</u>	<u>\$ 580,801</u>

In the general fund, due from other governments consists of state shared revenues and grant revenue for expenses incurred and not yet reimbursed. In the utility fund accounts receivable consist of monthly utility billings net the allowances for uncollectible accounts.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 4 - Capital Assets

	Balance September 30, 2021	Increase	Decrease	Balance September 30, 2022
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 75,097	\$ -	\$ -	\$ 75,097
Construction in progress	692,243	-	692,243	-
Total Capital Assets, Not Being Depreciated	692,243	-	692,243	75,097
Capital Assets, Being Depreciated:				
Building and Improvements	341,063	-	-	341,063
Improvements other than Buildings	1,720,124	1,076,835	-	2,796,959
Infrastructure	-	-	-	-
Equipment and Other	690,867	65,359	-	756,226
Total Capital Assets, Being Depreciated	2,752,054	1,142,194	-	3,894,248
Less Accumulated Depreciation for:				
Buildings and Improvements	(398,587)	(89,799)	-	(488,386)
Improvements other than Buildings	(582,688)	-	-	(582,688)
Infrastructure	-	-	-	-
Equipment and Other	(360,268)	(65,198)	-	(425,466)
Total Accumulated Depreciation	(1,341,543)	(154,997)	-	(1,496,540)
Total Capital Assets, Being Depreciated, Net	1,410,511	987,197	-	2,397,708
Total Governmental Capital Assets, Net	\$ 2,177,851	\$ 987,197	\$ 692,243	\$ 2,472,805
<u>Business-Type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 122,921	\$ -	\$ -	\$ 122,921
Construction in progress	391,034	18,000	-	409,034
Total Capital Assets, Not Being Depreciated	513,955	18,000	-	531,955
Capital Assets, Being Depreciated				
Building Improvements	73,000	-	-	73,000
Utility, Plant Equipment and Improvements	10,626,802	72,025	-	10,698,827
Total Capital Assets, Being Depreciated	10,699,802	72,025	-	10,771,827
Less Accumulated Depreciation for:				
Buildings	(1,900)	(150)	-	(2,050)
Utility, Plant Equipment and Improvements	(3,375,130)	(216,159)	-	(3,591,289)
Total Accumulated Depreciation	(3,377,030)	(216,309)	-	(3,593,339)
Total Capital Assets, Being Depreciated, Net	7,322,772	(144,284)	-	7,178,488
Total Business-Type Capital Assets, Net	\$ 7,836,727	\$ (126,284)	\$ -	\$ 7,710,443

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 4 – Capital Assets (Concluded)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 15,735
Transportation	75,348
Public Safety	63,914
Total	<u>\$ 154,997</u>

Business-type Activities:	
Water	\$ 49,179
Wastewater	167,130
Total	<u>\$ 216,309</u>

Note 5 – Long-term Debt

Changes in Long-term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
USDA Loan - Fire Truck	\$ 168,646	\$ -	\$ 10,383	\$ 158,263	\$ 10,617
Note Payable (Tractor / Sweeper)	13,200	-	7,844	5,356	5,356
Accrued Annual Leave	7,484	194	-	7,678	1,920
Net Pension Liability	67,932	122,463	-	190,395	-
Governmental Activities Long-term Liabilities	<u>\$ 257,262</u>	<u>\$ 122,657</u>	<u>\$ 18,227</u>	<u>\$ 361,692</u>	<u>\$ 17,893</u>
Business-type Activities:					
Revenue Bond Series 2004	\$ 1,133,000	\$ -	\$ 32,000	\$ 1,101,000	\$ 33,000
Revenue Bond Series 2007	1,406,000	-	33,000	1,373,000	34,000
Accrued Annual Leave	19,735	-	7,879	11,856	2,964
Net Pension Liability	78,341	145,166	-	223,507	-
Business-type Activities Long-term Debt Liabilities	<u>\$ 2,637,076</u>	<u>\$ 145,166</u>	<u>\$ 72,879</u>	<u>\$ 2,709,363</u>	<u>\$ 69,964</u>

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 5 – Long-term Debt (Continued)

City of Bristol Capital Improvement Revenue Bond – Series 2020 Bond

On September 21, 2020, the City issued Series 2020 bond for \$178,800. The series 2020 Bond is payable from pledged revenues consisting primarily of the Fire Services Taxes. The interest rate has been determined to be 2.25%. The Bonds were purchased through the United States Department of Agriculture, Rural Housing Service. The Bonds mature on September 24th of each year in amounts outlined in a schedule with the first payment in 2021, and the final payment in 2035. The purpose of the loan was for the purchase of a fire truck.

Notes Payable – Tractor/Sweeper

The City borrowed \$37,198 to purchase a new John Deere Tractor and road sweeper attachment. The Loan was taken out on June 18, 2018 (Loan number 02757569072) and the interest rate is 4%. Payments are \$686 each month. The outstanding balance on September 30, 2022 was \$5,356.

Business-type Activities

Revenue Bonds

The City also issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year related to these issues in prior years totaled \$2,474,000.

Water and sewer revenue bonds outstanding at September 30, 2022 are comprised of the following:

\$1,500,000 Water and Sewer System Revenue Bonds, Series 2004 payable in annual installments ranging from \$17,000 to \$76,000 through September 1, 2043, plus interest at 4.375%, collateralized by a first lien on net revenues of the water and sewer system. Amount outstanding at September 30, 2022 was \$1,101,000.

\$1,732,000 Water and Sewer System Revenue Bonds, Series 2007 payable in annual installments ranging from \$19,000 to \$86,000, through September 1, 2046, plus interest at 4.25%, collateralized by a first parity lien on net revenues of the water and sewer system. Amount outstanding at September 30, 2022 was \$1,373,000.

Outstanding principal for revenue bonds, lines of credit, and notes payable to maturity are as follows:

<u>Year ending September 30,</u>	<u>Governmental</u>	<u>Business-type</u>
2023	\$ 15,973	\$ 67,000
2024	10,855	71,000
2025	11,100	73,000
2026	11,349	77,000
2027	11,605	81,000
Thereafter	102,737	2,126,000
Total	<u>\$ 163,619</u>	<u>\$ 2,474,000</u>

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 6 – Commitments

The City had no major commitments as of September 30, 2022.

Note 7 – Contingent Liabilities

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects amounts, if any, to be immaterial.

Note 8 – Employee Retirement Plan

Defined Benefit Plans

Plan Description

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multi-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multi-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 8 – Employee Retirement Plan (Continued)

Benefits Provided

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The City's contribution rates for the year ended September 30, 2022 were as follows:

	Year Ended June 30, 2022		Year Ended June 30, 2023	
	FRS(2)	HIS	FRS(2)	HIS
Regular Class	9.10%	1.66%	10.19%	1.66%
Elected City Officers	49.70%	1.66%	55.28%	1.66%
Senior Management	27.29%	1.66%	29.85%	1.66%
DROP Plan Participants	16.62%	1.66%	16.93%	1.66%
Reemployment Retiree	(1)	(0)	(1)	(0)

(1) Contribution rates are dependent upon retirement class in which reemployed.

(2) The rates include the normal cost and unfunded actuarial liability contributions, but do not include the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools.

The City's contributions for the year ended September 30, 2022, were \$39,347 to FRS and \$4,046 to HIS.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 8 – Employee Retirement Plan (Continued)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuation date July 1, 2021. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability	\$ 343,087	\$ 70,815
Proportion at:		
Current Measurement Date	0.000922078%	0.000668594%
Prior Measurement Date	0.000925431%	0.000622563%
Pension Expense (Benefit)	\$ 23,723	\$ 3,544

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,295	\$ -
Changes of assumptions	42,253	-
Net difference between projected and actual earnings on Pension Plan Investments	22,654	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	473	(49,707)
Employer contributions subsequent to the measurement date	12,828	-
Total	<u>\$ 94,503</u>	<u>\$ (49,707)</u>

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,149	\$ (312)
Changes of assumptions	4,059	(10,955)
Net difference between projected and actual earnings on Pension Plan Investments	103	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,498	(6,883)
Employer contributions subsequent to the measurement date	1,342	-
Total	<u>\$ 15,151</u>	<u>\$ (18,150)</u>

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 8 – Employee Retirement Plan (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2023. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement period ending June 30,	FRS	HIS
2023	\$ (3,616)	\$ (1,245)
2024	(7,710)	(548)
2025	(16,021)	(50)
2026	56,312	(1,147)
2027	3,000	(992)
Thereafter	-	(357)
Total	<u>\$ 31,965</u>	<u>\$ (4,339)</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2022, was determined by an actuarial valuation dated July 1, 2018, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increase	3.25% Average, Including Inflation	3.25%
Discount Rate	6.70%	3.54%
Long-term Expected Rate of Return, Net of Investment Income	6.70%	N/A
Municipal Bond	N/A	3.54%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation date June 30, 2022, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 8 – Employee Retirement Plan (Continued)

The following changes in key actuarial assumptions occurred in 2022:

- FRS: The long-term expected rate of return was decreased from 6.80% to 6.70% and the active member mortality assumption was updated.
- HIS: The municipal rate used to determine total pension liability was increased from 2.16% to 3.54%.
- The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Asset Class	Target Allocation	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
	<u>100%</u>			
Assumed Inflation- Mean			2.4%	1.3%

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 8 – Employee Retirement Plan (Concluded)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$ 593,346	\$ 343,087	\$ 133,841

	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$ 4,894	\$ 4,021	\$ 3,361

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

Note 9 – Other Postemployment Benefits

The City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

CITY OF BRISTOL, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Note 10 – Fire Services Sales Surtax

The City received a portion of a local option surtax that was adopted by Liberty County to fund local fire protection. The Fire Services Sales Surtax is restricted for use of expenses or capital related to providing emergency fire protection.

Beginning Restricted Fund Balance	\$ 14,614
Amount Received as of September 30, 2022	95,920
Amount Spent as of September 30, 2022:	
Debt Service Payments	(10,383)
Operating Expense	(98,679)
Ending Restricted Fund Balance	<u>\$ 1,472</u>

Note 11 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Insurance against losses is provided for the following types of risks: workers' compensation and employer's liability; general liability; automobile liability; public officials' liability; and property coverage.

Note 12 – Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 26, 2023, the date in which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

CITY OF BRISTOL, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022

CITY OF BRISTOL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 306,597	\$ 306,597	\$ 365,232	\$ 58,635
Licenses and Permits	450	450	10,586	10,136
Intergovernmental Revenues	555,356	555,356	860,793	305,437
Charges for Services	47,163	47,163	17,153	(30,010)
Miscellaneous Revenues	760	760	22,548	21,788
Total Revenues	<u>910,326</u>	<u>910,326</u>	<u>1,276,312</u>	<u>365,986</u>
Expenditures				
Current:				
General Government	735,312	735,312	511,538	(223,774)
Transportation	26,000	26,000	16,481	(9,519)
Public Safety	71,886	71,886	130,253	58,367
Physical Environment	199,000	199,000	168,919	(30,081)
Culture and Recreation	-	-	1,594	1,594
Debt Service:				
Principal	8,238	8,238	18,227	9,989
Interest	-	-	4,183	4,183
Capital Outlay	557,590	557,590	449,951	(107,639)
Total Expenditures	<u>1,598,026</u>	<u>1,598,026</u>	<u>1,301,146</u>	<u>(296,880)</u>
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	<u>(687,700)</u>	<u>(687,700)</u>	<u>(24,834)</u>	<u>662,866</u>
Other Financing Sources (Uses)				
Proceeds from Long-term Debt	-	-	-	-
Transfers In	-	-	12,940	12,940
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>12,940</u>	<u>12,940</u>
Net Change in Fund Balance	<u>(687,700)</u>	<u>(687,700)</u>	<u>(11,894)</u>	<u>675,806</u>
Fund Balance, Beginning of Year	<u>687,700</u>	<u>687,700</u>	<u>345,804</u>	<u>(341,896)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,910</u>	<u>\$ 333,910</u>

CITY OF BRISTOL, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Note 1 – Budgetary Information

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The City follows their procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the City Council receives a proposed operating budget for the next fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council.
5. The legal level of budgetary control is the fund level.
6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

CITY OF BRISTOL, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30

	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)								
Proportion of the net pension liability (asset)	0.000922078%	0.0009254%	0.0009573%	0.0011516%	0.0011454%	0.0015950%	0.0016902%	0.0016902%
Proportionate share of the net pension liability (asset)	\$ 343,087	\$ 69,906	\$ 414,892	\$ 396,610	\$ 344,997	\$ 471,800	\$ 418,807	\$ 218,312
Covered-employee payroll	\$ 219,921	\$ 246,685	\$ 279,533	\$ 243,598	\$ 213,418	\$ 219,203	\$ 210,250	\$ 597,639
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	156.00%	28.34%	148.42%	162.81%	161.65%	215.23%	199.19%	36.53%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)								
Proportion of the net pension liability (asset)	0.000622560%	0.000622560%	0.000624750%	0.072391900%	0.065725500%	0.000006673%	0.000680986%	0.000682010%
Proportionate share of the net pension liability (asset)	\$ 70,815	\$ 76,367	\$ 76,282	\$ 80,999	\$ 69,565	\$ 71,355	\$ 79,366	\$ 69,555
Covered-employee payroll	\$ 219,921	\$ 246,685	\$ 279,533	\$ 243,598	\$ 213,418	\$ 219,203	\$ 210,250	\$ 597,639
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.20%	30.96%	27.29%	33.25%	32.60%	32.55%	37.75%	11.64%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF BRISTOL, FLORIDA
SCHEDULE OF THE CITY'S CONTRIBUTIONS
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30

	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)								
Contractually required contribution	\$ 39,347	\$ 35,255	\$ 31,806	\$ 35,709	\$ 32,643	\$ 42,303	\$ 40,591	\$ 36,516
Contributions in relation to the contractually required contribution	(39,347)	(35,255)	(31,806)	(35,709)	(32,643)	(42,303)	(40,591)	(36,516)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 Covered-employee payroll	\$ 219,921	\$ 246,685	\$ 279,533	\$ 243,598	\$ 213,418	\$ 219,203	\$ 210,250	\$ 597,639
Contributions as a percentage of covered-employee payroll	17.89%	14.29%	11.38%	14.66%	15.30%	19.30%	19.31%	6.11%
 Health Insurance Subsidy Program (HIS)								
Contractually required contribution	\$ 4,046	\$ 3,659	\$ 3,600	\$ 4,020	\$ 3,564	\$ 3,545	\$ 3,570	\$ 7,530
Contributions in relation to the contractually required contribution	(4,046)	(3,659)	(3,600)	(4,020)	(3,564)	(3,545)	(3,570)	(7,530)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 Covered-employee payroll	\$ 219,921	\$ 246,685	\$ 279,533	\$ 243,598	\$ 213,418	\$ 219,203	\$ 210,250	\$ 597,639
Contributions as a percentage of covered-employee payroll	1.84%	1.48%	1.29%	1.65%	1.67%	1.62%	1.70%	1.26%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

**CITY OF BRISTOL, FLORIDA
OFFICIALS
SEPTEMBER 30, 2022**

James P. Kersey
Mayor

Margaret Rankin
Chairman

Christian Vowell
Vice Chairman

Coy Collins
Councilmember

Ray Glisson
Councilmember

Joseph Crump
Councilmember

Robin M. Hatcher
City Clerk

CITY OF BRISTOL, FLORIDA

COMPLIANCE SECTION

SEPTEMBER 30, 2022

**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**

To the Honorable City Council,
City of Bristol, Florida:

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 and each major fund of City of Bristol, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2023.

Internal Control over Financial Reporting

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

**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**

(Concluded)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 City'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.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 26, 2023

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES**

To the Honorable City Council,
City of Bristol, Florida:

We have examined the City of Bristol, Florida (the "City"), compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 26, 2023

**MANAGEMENT LETTER IN ACCORDANCE WITH
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable City Council,
City of Bristol, Florida:

Report on the Financial Statements

We have audited the financial statements of the City of Bristol, Florida (the “City”) as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated June 26, 2023.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. There were no audit findings or recommendations identified in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., and 10.556(7) *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

**MANAGEMENT LETTER IN ACCORDANCE WITH
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA
(Concluded)**

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Members of the City and management, and is not intended to be and should not be used by anyone other than these specified parties.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 26, 2023