Popular Annual Financial Report

July 1, 2014 - June 30, 2015

Issued by:
The City of Bristol Comptroller's Office

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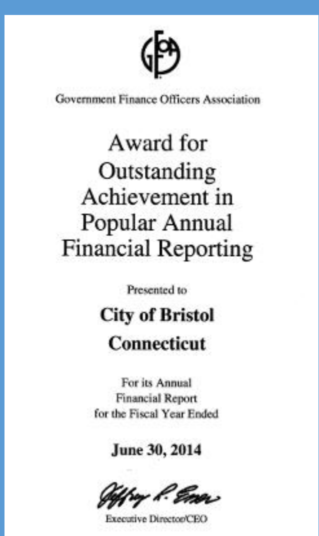
Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Bristol Connecticut

For its Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL MESSAGE

DEAR CITIZENS OF BRISTOL, CONNECTICUT,

I am pleased to present the City of Bristol's Popular Annual Financial Report, (PAFR) for the fiscal year ended June 30, 2015. This is Bristol's fifteenth PAFR, and is formulated as an easy-to-read version of the City's Comprehensive Annual Financial Report (CAFR) that is published on a yearly basis.

The CAFR is a detailed account of the City's financial statements, notes, schedules, and statistics. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP), audited by RSM US LLP, and received an unmodified opinion. The CAFR is available in the Comptroller's office, via the internet, or City Clerk's office for review.

The PAFR is designed to provide citizens with an overview of the City's revenue, expenditures and general information, in a simplified interpretation of the CAFR. All financial data presented in the PAFR is derived from the CAFR and is consistent with GAAP. The PAFR is prepared by the Comptroller's staff and is not obligated to be audited under GAAP rules. The PAFR does not include Bristol's Component Unit - Bristol/Burlington Health District.

Both the PAFR and the CAFR can be found on the City’s website at www.bristolct.gov.

Thank you for your interest in the City of Bristol's government and how it functions. Please feel free to comment on the PAFR, and offer any suggestions to my office at glennklocko@bristolct.gov.

Respectfully submitted,

Glenn S. Klocko

Glenn S. Klocko,
Comptroller

GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Historical Background

Bristol, formerly made up of the parishes of New Cambridge and West Britain, was settled in 1785. In 1911, Bristol was incorporated and became known from that time on as the City of Bristol. The City is located in the west central part of the state, sixteen miles from Hartford. The City currently has a land area of 26.60 square miles and serves a population of approximately 60,000. Once the clock making, ball bearing, and lock manufacturing capital of the United States, the City remains proud of its industrial heritage. The City seal continues to maintain this history by depicting the hands of a clock. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

Description of Government

The City has operated under the mayor-council form of government since inception. Policy making and legislative authority is vested in the governing council, which consists of a mayor and a six-member council. The City Council is responsible, among other things, for passing ordinances, adopting the budget (in conjunction with the Board of Finance in a Joint Meeting of the two bodies) and for appointing the heads of departments. Various Boards and Commissions establish individual department policies and procedures. The City's mayor is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operation of the City. The council is elected on a partisan basis by district. The mayor is elected at large. The mayor and the council members are elected to two-year terms. The Board of Education appoints a Superintendent of schools who is responsible for administering the City’s school system.

CONTACT US!

City Council

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Board of Finance

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John Smith, Vice Chairman
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Mike LaMothe
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Economic Condition and Outlook

The state and national economy are still in a recovery mode and should continue to expand at a modest pace throughout the remainder of this year. Despite this outlook, Standard & Poor's in a recent credit assessment, stated Bristol has a strong local economy based on access to and participation in the broad and diverse Hartford metropolitan statistical area. The City has varied manufacturing and industrial sectors that add to the relative stability of the local economy. Major industries with headquarters or divisions located within the government's boundaries include ESPN, the nation's first and largest all-sports television network. The ESPN worldwide headquarters remains Bristol's largest taxpayer, accounting for 6.79% of total property assessed valuation. ESPN's growth in Bristol is assured by on-going development of last year's acquisition of 20 adjoining acres. Their newest digital center, comprises over 193,000 square feet of office space and four technologically advanced production studios.

The City continues to be a leader in manufacturing, producing a wide variety of precision-crafted goods such as tin ware, bells, coaster brakes, hard wares, clocks, screw machine products, electronic items, timing devices, and robotic-based automation systems. Specialty manufacturers produce for a diverse array of industries, including medical devices, surgical equipment, aerospace, and automobile items.

Unemployment rates and the number of unemployed people, not seasonally adjusted, have started trending downward. Connecticut's 6.4% unemployment rate is higher than the national rate of 5.8%, and is predicted to remain stable. Locally, Bristol's 6.7% average unemployment rate is somewhat higher than national and regional averages.

As a result of a state enterprise zone established in downtown Bristol to promote additional development, renewed investment, and job opportunities, unemployment is expected to continue to lag behind the state average. Bristol's Technology Park employs over 1,600 employees in 23 businesses.

The Southeast Bristol Business Park of approximately 51 acres has been acquired by the City on a site off a major route to and from the City (Route 229). The infrastructure was jointly a funded project of the state and the City. The project is critical to Bristol's continued growth. The acreage will accommodate approximately 750,000 square feet of new industrial space. The Park construction is complete and open for occupancy. It already has three tenants and secured the sale of three more lots. In addition, a real estate development firm representing a large distributor has executed a real estate agreement for Lot 1, the largest building lot in the Park and will complete construction on a 120,000 square foot distribution facility in early 2016.

MAJOR INITIATIVES

For the year

Downtown revitalization remains a top priority for reasons of economic vitality and quality of life. The City is currently studying the proper mix of public and private improvements and investments. To kick start downtown revitalization, the City purchased a former mall site in March 2005, and the building was later demolished. A private developer for the site was selected through a competitive process in 2009. The plan is for mixed-uses with an emphasis on residential use. To date, the developer has yet to secure adequate financing for its planned development. The re-use of the 17 acre site is a key component and opportunity for downtown revitalization. The eventual sale of the site, or portions of the site, could recoup a substantial portion of the purchase price, restart the income stream of taxes, and help spark renewed interest in surrounding downtown properties. Long term trends favor cities and those that plan for quality, higher density development. Bristol has been making those infrastructure investments towards that future.

The City's fiscal-year 2014-2015 budget entailed two parts; General City and Education. The Education component is the largest portion of the City's General Fund budget. An original request was submitted by the Board of Education requesting an increase of $5.2 million plus an additional $2.7 million for full day kindergarten. The Board of Finance recommended 3.06%, thus increasing the Minimum Budget Requirement for the Board of Education. The 2014-2015 mill rate increased during the year by 1.11 mills.

CONTACT US!

Mayor's Office
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Mayor Ken Cockayne

Assessor's Office
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Tom Denoto

Building Department
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Guy Morin

City Clerk
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Therese Pac

Comptroller's Office
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Glenn S. Klocko

Fire Department
860-584-7964
Chief Kolakoski

Library – Main
860-584-7787
Library – Manross
860-584-7790
Debbie Prozzo

Parks & Recreation
860-584-6160
Ed Swicklas

Police Department
860-584-3000
Acting Chief Gould

Public Works
860-584-6125
Walter Veselka

Tax Office
860-584-6270
Teresa Babon

Youth & Community Services
860-314-4690
Eileen McNulty

MAJOR INITIATIVES - continued

The City is proactive in funding Other Post-Employment Benefits (OPEB), with an annual appropriation of funds in the General Fund. The budget included funds in the amount of $685,940 as part of plan to fully fund the annual required contribution. This, in concert with prior years contributions of over $3,000,000 are part of the Governmental Accounting Standards Board (GASB) Statement No. 45, which requires recognition of OPEB, other than pension benefits.

The City's fiscal year 2014-2015 capital budget authorized spending of $6.3 million for capital projects. Several of the projects that received funding were continued projects from previous fiscal years. New appropriations this year include funding for the replacement of oil tanks at two schools, replacement of a high school running track, the purchase of the City's street light system, and $2.6 million for various roadway, bridge and other infrastructure projects. The telephone system for the City and Board of Education received additional funding along with the Engine 5 Firehouse renovations project.

For the Future

The City's elected and appointed officials consider many factors when setting the fiscal-year 2016 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 6.7% versus 8.6% a year ago. This is slightly higher than the State's unemployment rate of 6.4% (not seasonally adjusted).

Another factor is comparing similar sized communities' fees and charges for services as well as evaluating the impact of Grand List changes, positive or negative, and Intergovernmental revenue changes. These indicators were taken into account when adopting the General Fund budget for 2015-2016.

Amounts available for appropriation in the General Fund budget are $185 million, a decrease of $135,000 from the previous year's budget. The mill rate of 34.61 remained unchanged from 2015.

As of June 30, 2015, unassigned fund balance in the General Fund is 12.8% of General Fund operating revenues and falls well within the fund balance policy guidelines of maintaining 10-15% set by the Board of Finance for budgetary and planning purposes.

The City of Bristol has appropriated $195,000 of its $31.7 million fund balance to balance its 2015-2016 operating budget. This represents a decrease of $155,000 from the previous year. The eventual goal, gradually attained, is zero.

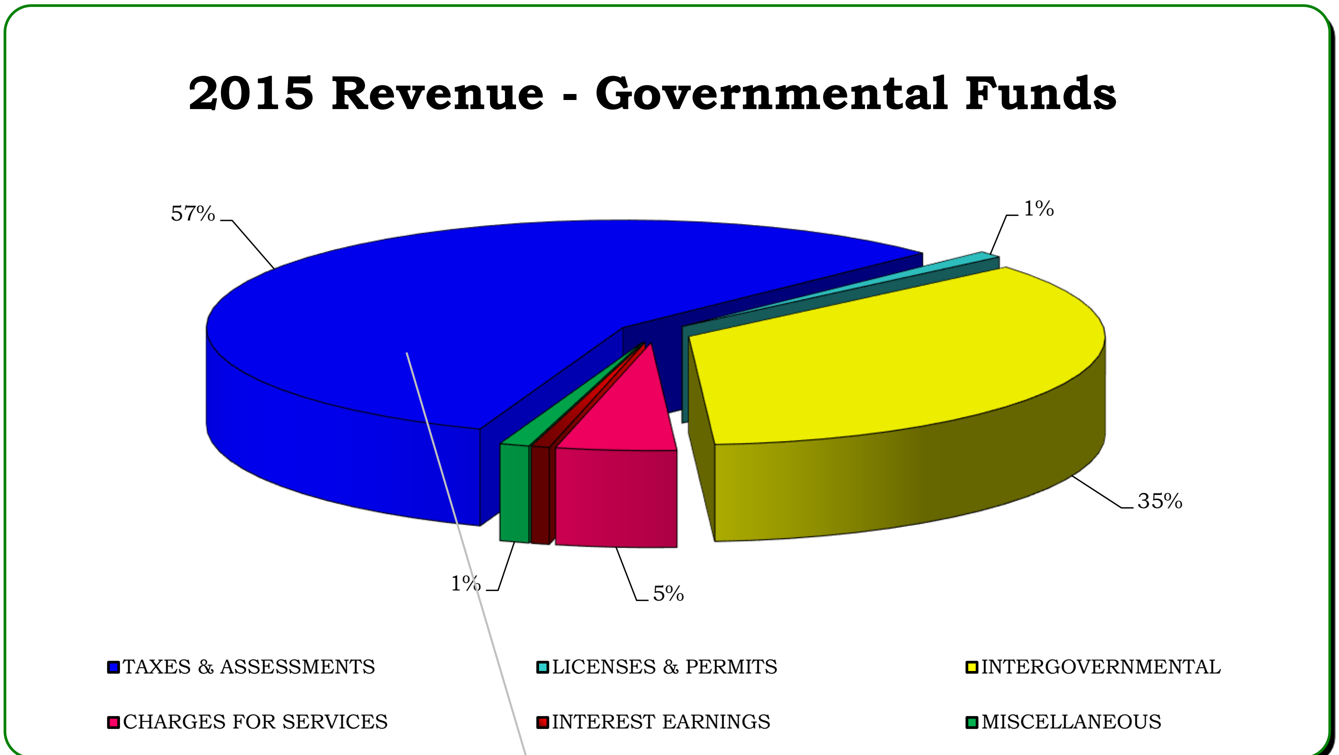
As for the City's business-type activities marginal growth (1.5 to 2.0 percent) is expected to retained earnings based on sales over the past three fiscal years. Also, expenses will increase for continued watershed expansion purchases and other infrastructure and equipment improvements.

Long-Term Financial Planning

The City develops and prepares a Capital Improvement Program (CIP) that is a forward looking multi-year plan identifying capital projects to be funded during the planning period. The City has a 10 Year Capital Improvement Committee. The capital Budget represents the first year of the CIP. In addition to this formal long term planning process, City administration from time to time adopts a set of informal long term goals and objectives for such matters as the increasing costs of snow removal, fleet replacement and for OPEB funding. Long-term overall operational planning is more problematic as it is impractical to forecast beyond three years without complex software, and any such plan would have to be legally adopted.

WHERE THE MONEY COMES FROM:

REVENUE	2015	Percentage	2014	Percentage
TAXES & ASSESSMENTS	$133,616,000	57%	$127,782,000	56%
LICENSES & PERMITS	2,321,000	1%	7,141,000	3%
INTERGOVERNMENTAL	82,155,000	35%	82,123,000	36%
CHARGES FOR SERVICES	10,890,000	5%	6,512,000	3%
INTEREST EARNINGS	1,670,000	1%	394,000	0%
MISCELLANEOUS	2,718,000	1%	2,746,000	1%
	$233,370,000	**100%**	**$226,698,000**	**100%**



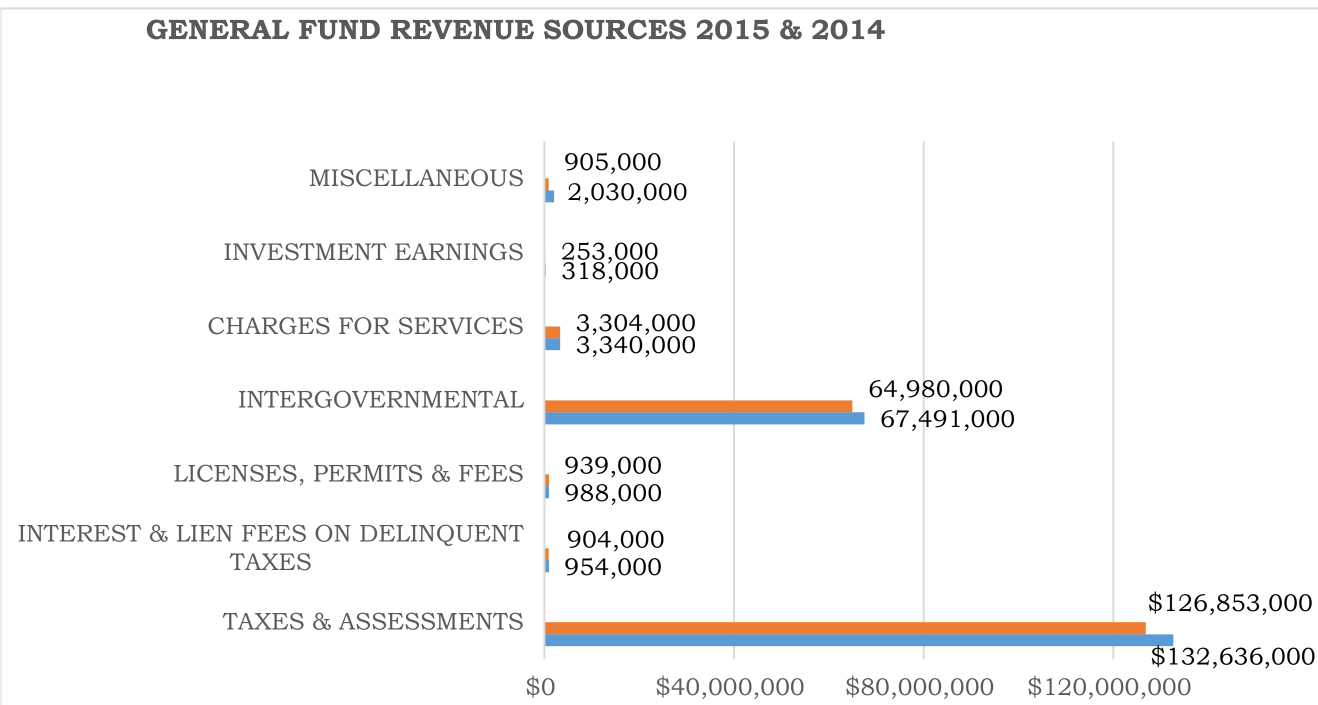
Taxes	2015	2014
Current Tax Levy	$131,309,000	$125,492,000
Prior Tax Levy	1,328,000	1,361,000
Interest and Penalties	954,000	904,000
Assessments	25,000	25,000
	$133,616,000	**$127,782,000**

Total revenues received in 2015 were $233,370,000. Revenues increased $6.7 million over 2014. The largest revenue source comes from Taxes & Assessments (57%), followed by Intergovernmental Revenues (35%). The increase in Taxes & Assessments is driven primarily by the increase in the mill rate from 33.50 in 2014 to 34.61 in 2015. The tax collection rate of 98.47% was basically the same for both 2015 and 2014. Intergovernmental Revenues were consistent with those received in 2014. The chart above displays 2015 revenue by source.

WHERE THE MONEY COMES FROM:
GENERAL FUND

GENERAL FUND: The General Fund is the general operating fund of the City of Bristol. The General Fund accounts for the normal recurring activities of the City including general government, public safety, public works, health and social services, recreation, libraries and education. These activities are funded principally by property taxes on individuals and businesses and grants from governmental units. The General Fund does not include the operations of the City Water Department.

GENERAL FUND REVENUE COMPARISON	2015	2014
TAXES & ASSESSMENTS	$132,636,000	$126,853,000
INTEREST & LIEN FEES ON DELINQUENT TAXES	954,000	904,000
LICENSES, PERMITS & FEES	988,000	939,000
INTERGOVERNMENTAL	67,491,000	64,980,000
CHARGES FOR SERVICES	3,340,000	3,304,000
INVESTMENT EARNINGS	318,000	253,000
MISCELLANEOUS	2,030,000	905,000
	$207,757,000	**$198,138,000**

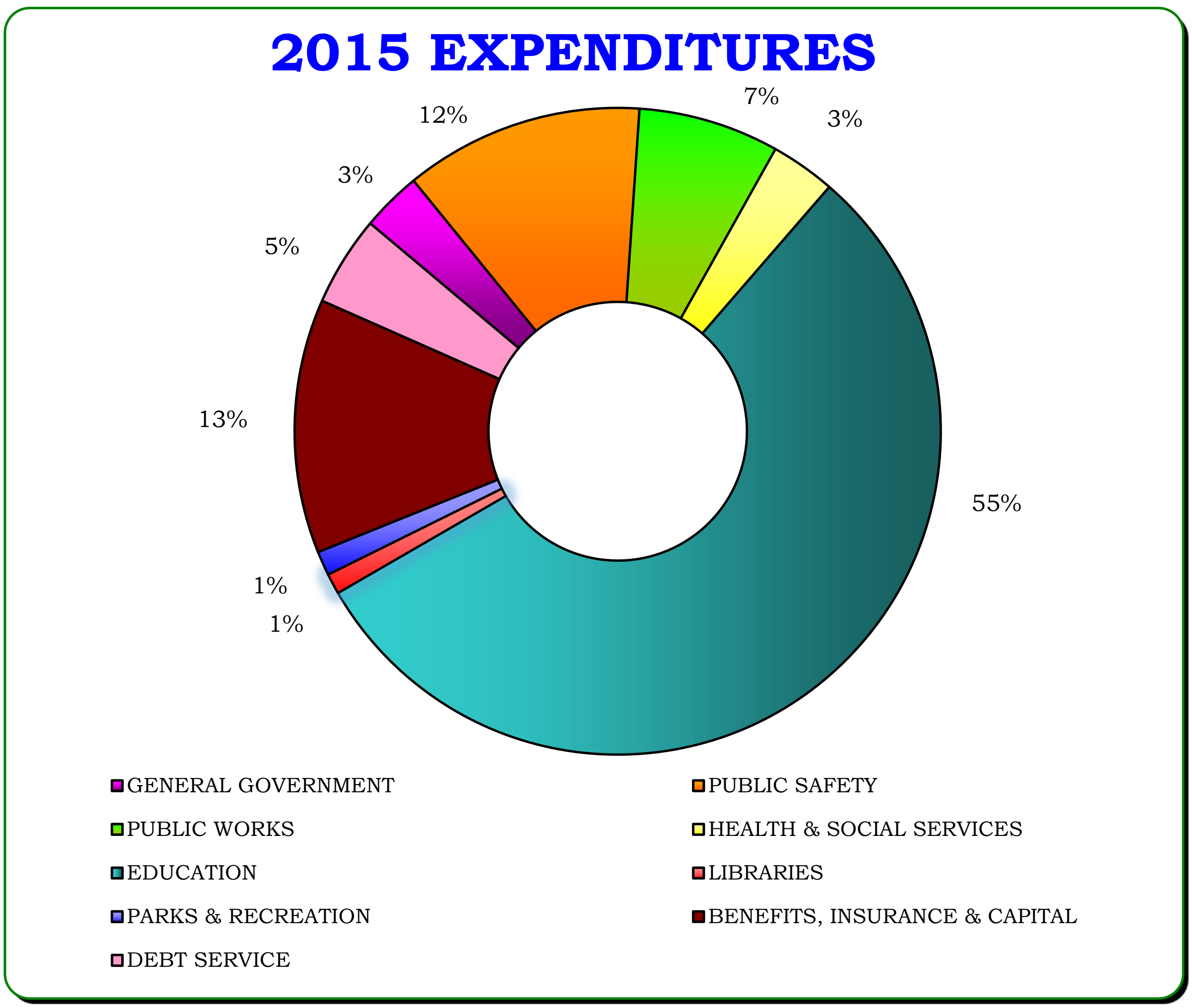


The graph above illustrates revenue for the General Fund during 2015 and 2014.

WHERE THE MONEY GOES:

For 2015, Education (City schools, teachers, administration) accounted for the largest percentage of the expenditures at $106,825,000 or 55% of the total expenditures. Public Safety (City Fire and Police Departments) are at $23,114,000 or 12%. Public Works (engineering, building and fleet maintenance, streets, roads and sidewalks, waste and snow removal, and street lighting) are at $13,604,000 or 7%. General Government (Mayor, Assessor, City Clerk, Comptroller, Treasurer, Purchasing, Personnel, Technology, Corporation Counsel, Tax Collection, Registrar of Voters and so forth) total $5,804,000 or 3%. The cost of City-wide employee benefits, general insurance, investment in infrastructure or other longer term projects and the required principal and interest payments on the City's bonds make up the remaining General Fund significant expenditures.

GENERAL FUND EXPENDITURES	2015	2014
GENERAL GOVERNMENT	$5,804,000	$5,575,000
PUBLIC SAFETY	23,114,000	22,678,000
PUBLIC WORKS	13,604,000	13,001,000
HEALTH & SOCIAL SERVICES	6,273,000	5,699,000
EDUCATION	106,825,000	104,508,000
LIBRARIES	1,981,000	1,997,000
PARKS & RECREATION	2,342,000	2,198,000
BENEFITS, INSURANCE & CAPITAL	24,559,000	21,929,000
DEBT SERVICE	8,694,000	8,798,000
TOTAL EXPENDITURES	**$193,196,000**	**$186,383,000**



WHERE THE MONEY GOES

GENERAL FUND PUBLIC SAFETY EXPENDITURES

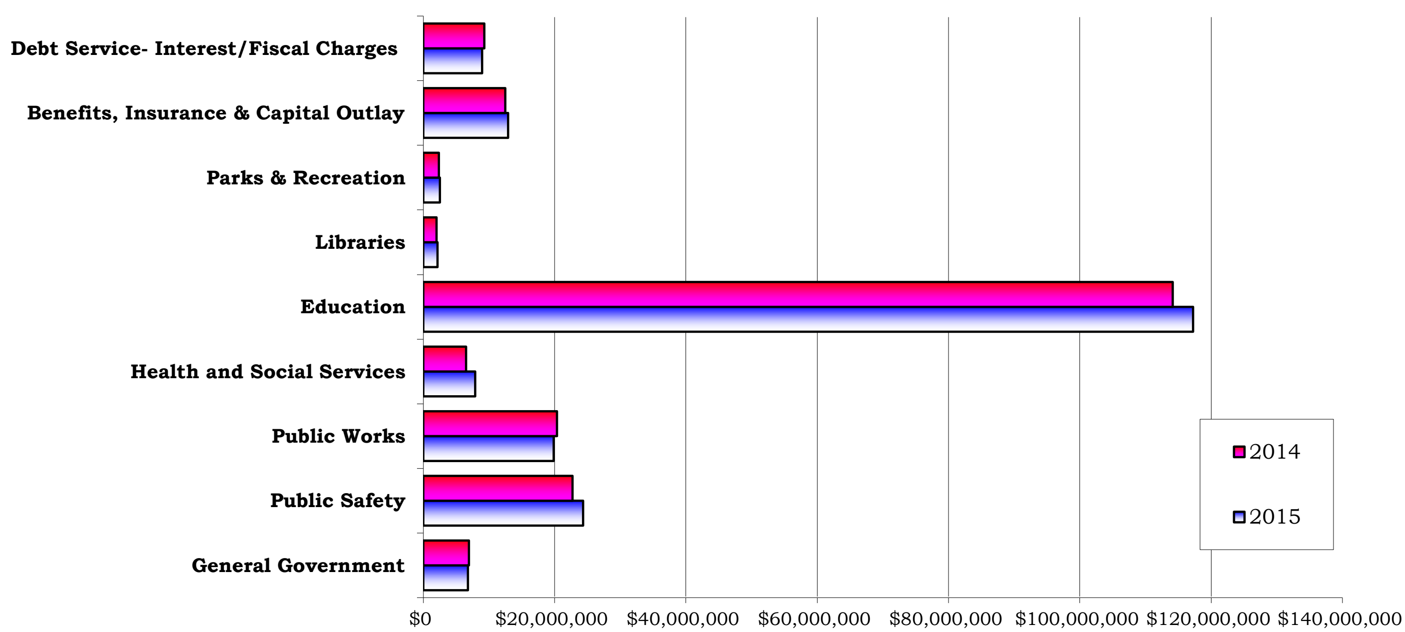
	2015	2014
POLICE DEPARTMENT	$14,709,000	$14,574,000
FIRE DEPARTMENT	7,758,000	7,532,000
ANIMAL CONTROL	142,000	135,000
EMERGENCY MANAGEMENT	17,000	11,000
BUILDING INSPECTION	488,000	426,000
	$23,114,000	**$22,678,000**

Governmental Funds Expenditures

Governmental Funds include the General Fund, Special Revenue Funds (for example, special education grants, City school lunch program, sewer operations, solid waste facility) and certain trust funds.

Total Expenditures - Governmental Funds	2015	2014
General Government	$6,799,000	$6,952,000
Public Safety	24,340,000	22,730,000
Public Works	19,860,000	20,363,000
Health and Social Services	7,904,000	6,516,000
Education	117,244,000	114,144,000
Libraries	2,167,000	2,020,000
Parks & Recreation	2,530,000	2,375,000
Benefits, Insurance & Capital Outlay	12,917,000	12,487,000
Debt Service- Interest/Fiscal Charges	8,959,000	9,294,000
	$202,720,000	**$196,881,000**

Expenditure Comparison - Governmental Funds



Expenditures increased during 2015 by $5.8 million, driven primarily by increases in appropriations for education and increases in contractual arrangements for health services. The majority of the other categories were consistent with prior year.

MONEY DISTRIBUTED TO THE BRISTOL SCHOOL SYSTEM

Board of Education	2015	2014
General Control	$2,678,000	$2,534,000
Instruction	45,587,000	45,143,000
Transportation	4,093,000	4,126,000
Operation of Plant	6,410,000	6,252,000
Maintenance of Plant	2,089,000	2,155,000
Benefits & Fixed	18,236,000	17,348,000
Athletics & Student	1,748,000	1,641,000
Capital & Technology	1,858,000	1,886,000
Special Education	23,169,000	22,466,000
Tuition	894,000	670,000
Other/Miscellaneous	63,000	287,000
Total Board of Education	**$106,825,000**	**$104,508,000**

Education expenditures totaled $106,825,000 for 2015. Of this amount, 42.67% was for Instruction, Benefits and Fixed costs were 17.07% and Special Education costs were 21.69%.

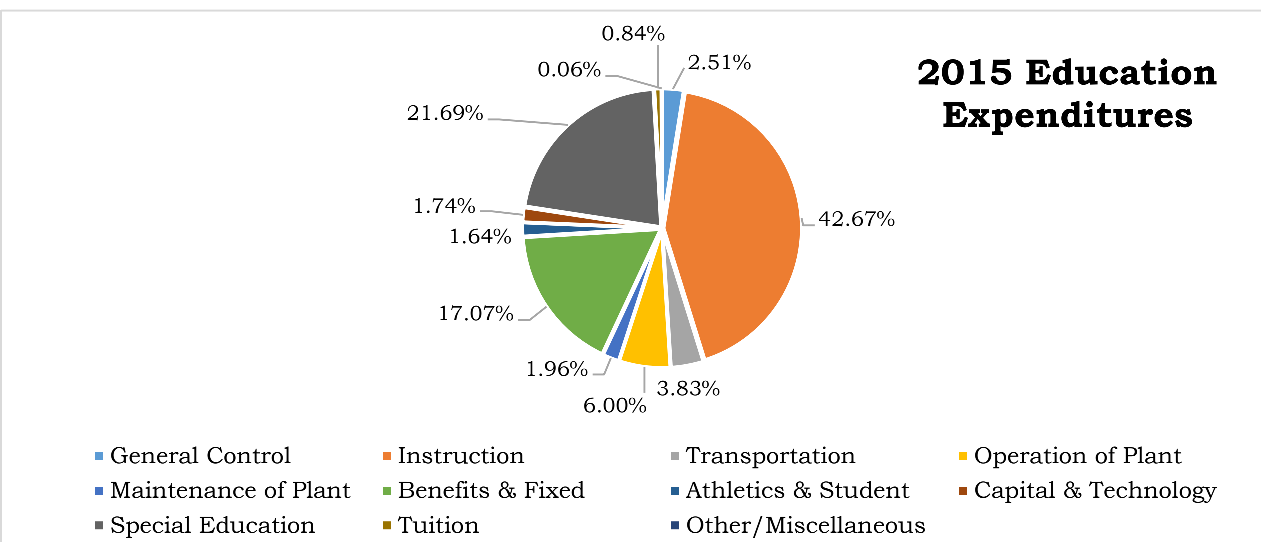
In 2015, Bristol received $41,511,700 for the educational equalization of education cost sharing. In addition, $413,344 was received for school transportation and $3,064,753 for Special Education Excess Cost.

Statistical Information

Number of high schools	2
Number of middle schools (6th, 7th and 8th)	2
Number of elementary schools	6
Number of K-8 schools	2
Number of high school students	2,437
Number of middle school students	1,211
Number of elementary students	2,556
Number of K-8 students	1,814
Number of teachers	586
Administrative and non-teaching personnel	371
Student enrollment as of 10/1/14	8,018

Board of Education Members

Larry Amara, Chairman
Genard Dolan, Vice Chairperson
Jennifer Dube
Jill T. Fitzgerald
Karen Hintz
Jeffrey Morgan
Thomas O'Brien
Karen Vibert
Christopher Wilson



SUMMARY OF CAPITAL ASSETS
for the year ended June 30, 2015
City of Bristol, Connecticut

Capital Assets are defined as Property & Equipment owned by the City of Bristol and purchased by each department as needed. This summary is the total dollar amount held by the City of Bristol net of depreciation as of June 30.

Category	2015	2014
Land	$21,443,000	$21,111,000
Land Improvements	8,014,000	10,637,000
Buildings	182,325,000	107,924,000
Equipment	21,532,000	21,250,000
Infrastructure	108,224,000	105,841,000
Construction in Progress	14,541,000	91,599,000
Total	**$356,079,000**	**$358,362,000**

Construction in Progress
Includes construction or projects not yet complete or not yet ready to be put into operation. This can include new buildings, new sewers or improvements, and building renovations.

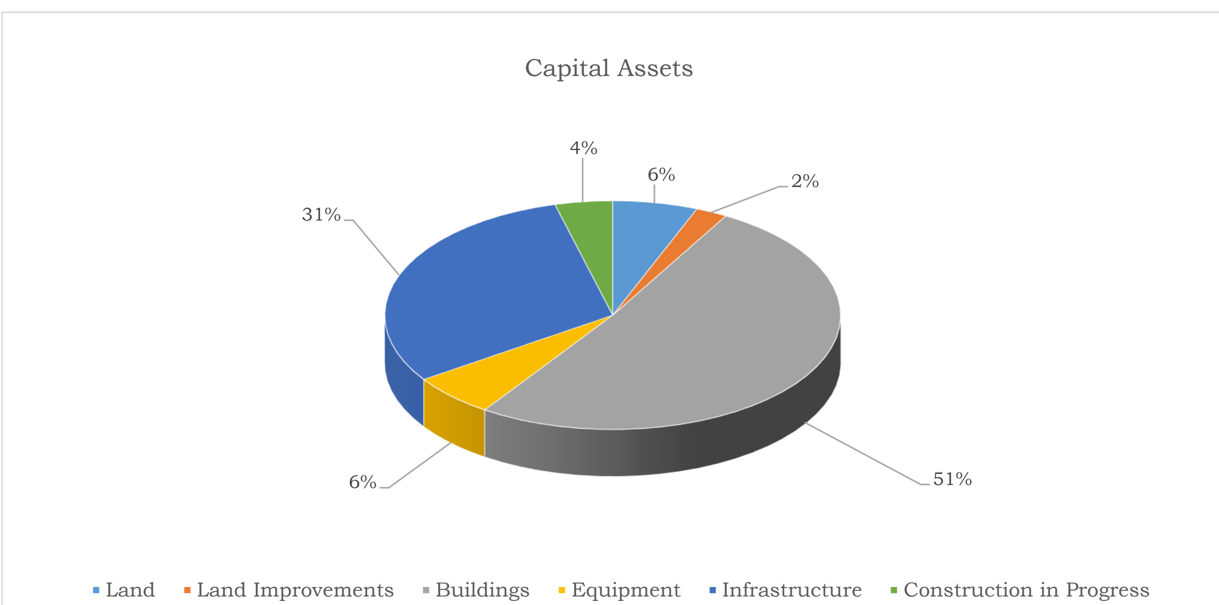
Equipment
Includes the cost of all City and Departmental machinery, vehicles, office furniture, business machines, etc. that each department maintains and is responsible for.

Land and Land Improvements
Includes the total amount of land purchased and owned by the City of Bristol and any improvements to such land.

Buildings
Includes the cost of the building purchase or the cost of the building construction.

Infrastructure
Includes the cost of all roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Capital Asset Activity	2015	2014
Beginning Balance	$ 358,362,000	$ 360,932,000
Purchased	13,467,000	20,467,000
Disposed	(2,129,000)	(6,878,000)
Depreciation	(13,621,000)	(16,159,000)
Ending Balance	**$ 356,079,000**	**$ 358,362,000**



City of Bristol, Connecticut
Popular Annual Financial Report
Financial Position Statement

Glossary

Benefits

Cash is the amount of physical cash held by the City of Bristol in checking accounts and on hand for the purpose of paying expenses.

Investments are made up of funds that are not needed to be held to pay expenses, so the City Treasurer can invest these funds in a variety of accounts. By investing these funds, the City of Bristol earns interest on its surplus cash.

Receivables represent the amounts which are owed to the City of Bristol and are expected to be paid to the City over the course of the next twelve months.

Capital Assets include all streets, street improvements, sidewalks, sewer lines, storm drains and bridges.

Property and Equipment represents the furniture, equipment, vehicles, land, buildings, that provide an economic benefit of greater than one year. Included with Capital Assets.

Burdens

Amounts Owed to Employees and Vendors are those items that the City of Bristol owes to individuals and companies who supply services or goods and the expected payment is to be made within twelve months.

Summary

The Financial Position, known as the "Balance Sheet" in accounting terms, provides a picture of the City of Bristol's financial position at the end of the fiscal year.

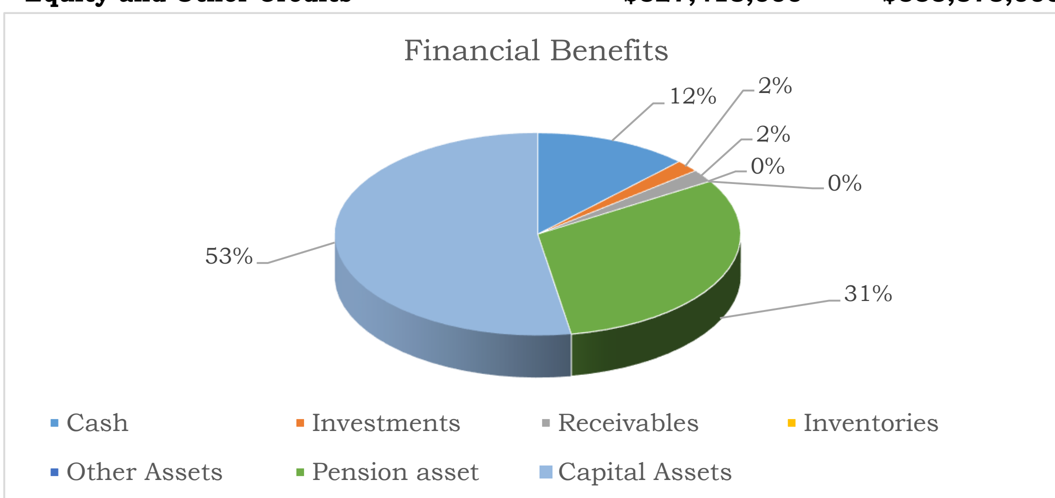
CITY OF BRISTOL Financial Position Statement

Financial Benefits

	2015	2014
Cash	$83,108,000	$84,231,000
Investments	13,038,000	5,592,000
Receivables	13,522,000	11,824,000
Inventories	234,000	291,000
Other Assets	5,000	5,791,000
Pension asset	210,390,000	237,318,000
Capital Assets	356,079,000	358,362,000
Total Financial Benefits	**$676,376,000**	**$703,409,000**

Financial Burdens

	2015	2014
Amount due to employees and vendors	$ 9,946,000	$8,390,000
Short and long term debt	127,213,000	128,180,000
Other liabilities	11,799,000	10,961,000
Total Financial Burdens	**$148,958,000**	**$147,531,000**
Equity and Other Credits	**$527,418,000**	**$555,878,000**



Glossary

Burdens (continued)

Short and Long-term debt represent the amount that the City of Bristol borrows for certain projects that it undertakes. The difference between short and long term debt is that short term debt is paid back within one year and long term debt is paid back over a period of years.

Bonds Payable is the long-term debt owed by the City.

Compensated Absences are liabilities for accumulated sick and vacation time that are payable to employees upon termination.

Unpaid Claims are the open Workers' Compensation and health insurance claims at fiscal year end.

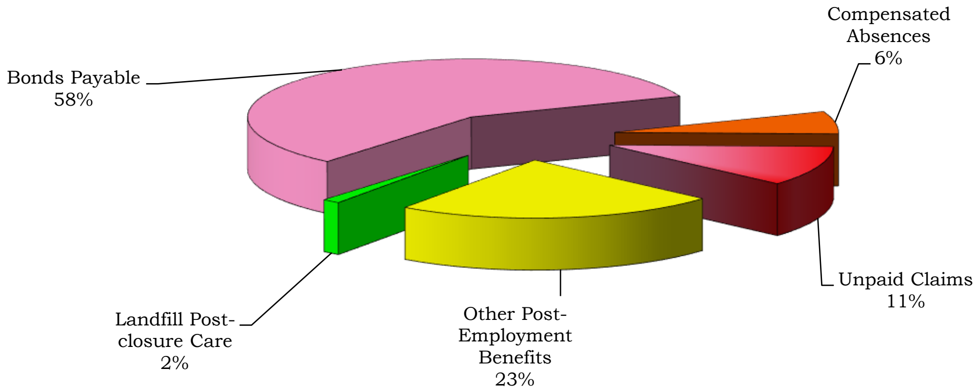
Other Post-Employment Benefits are benefits other than pension, such as retiree healthcare. The amount is actuarially determined and included as a liability of the City.

Landfill Post-closure Care is an estimated liability to monitor and maintain the landfill during the postclosure period.

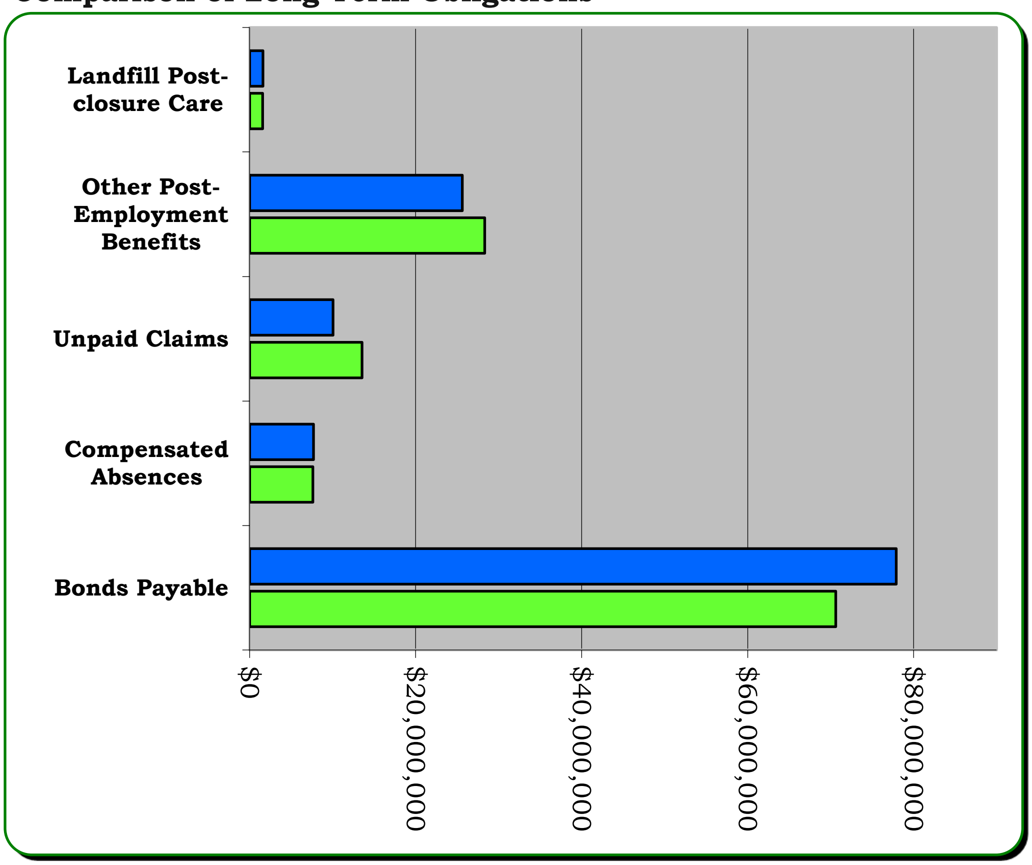
City of Bristol, Connecticut
Popular Annual Financial Report
Debt Structure

	2015	2014
Bonds Payable	$70,603,000	$77,887,000
Compensated Absences	7,600,000	7,702,000
Unpaid Claims	13,539,000	10,055,000
Benefits	28,308,000	25,622,000
Landfill Post-closure Care	1,563,000	1,614,000
Total	**$121,613,000**	**$122,880,000**

2015
Long-Term Obligations



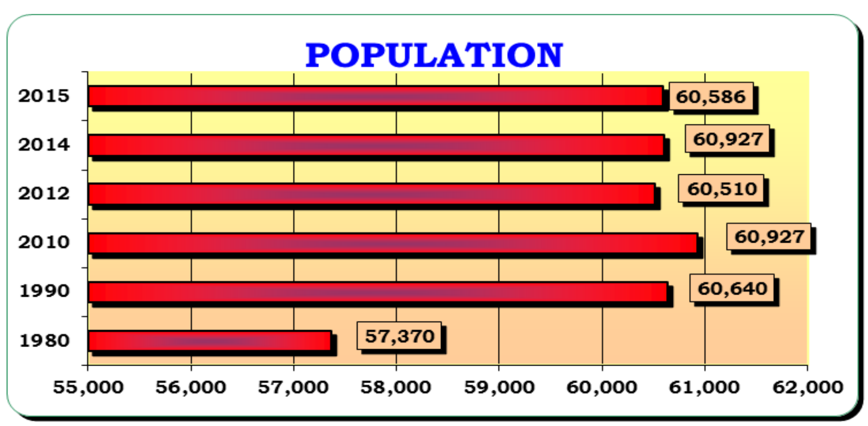
Comparison of Long-Term Obligations



CITY OF BRISTOL, CONNECTICUT

2015 MISCELLANEOUS INFORMATION

Bristol's date of incorporation	1911
Form of Government	Mayor/Council
Area of City	26.6 square miles
Latitude	N41 40' 23"
Longitude	W72 56' 49"
Elevation	310' above sea level
Roads/Sidewalks and Sewers	
Miles of streets - State Hwys. included	235 miles
Storm Sewers	224 miles
Miles of sanitary sewers	243.4 miles
Number of street lights	5,539
City Employee's	
Number of full-time City employees	510
Number of Board of Education full-time employees	1,090
Elections:	
Number of registered voters	31,718
Number of votes cast in:	
Last State election	17,835
Last municipal election	1,108
Percent of registered voters voting in:	
Last State election	56%
Last municipal election	35%
Parks and Recreation:	
Number of parks and public squares	17
Playgrounds	8
Swimming pools, outdoor	2
Swimming pools, indoor	1
Outdoor ice-skating facilities	5
Lighted tennis court asphault	5
Asphalt tennis courts	14
Ball diamonds:	
Hardball (1 lighted)	4
Softball (1 lighted)	6
Little League	14
Basketball courts	6
Volleyball courts	6
Fishing areas	7
Stadium	1
Soccer fields	2
Horseshoe pits	2
Ropes Challenge Course	1
Spray parks	3



The population trend shown above indicates that Bristol currently has 60,586 people living within its boundaries.

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