

# CITY OF BRISTOL, VIRGINIA



AUDIT PRESENTATION

December 9, 2025

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**INDEPENDENT AUDITORS' REPORT  
ON FINANCIAL ANALYSIS**

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**To the Honorable Members of City Council  
City of Bristol, Virginia**

We have audited in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bristol, Virginia for the years ended June 30, 2021-2025. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. In our reports and reports of other auditors, an unmodified opinion was expressed for the years ended June 30, 2021-2025. The financial analysis set forth in this section is presented for purposes of additional analysis and is not a required part of the basic financial statements. However, this financial analysis was derived from, and should be read in conjunction with, the basic financial statements and the reports thereon. Any information which is of non-accounting nature has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and we express no opinion on it.

*Polinae, Faver, Cox Associates*

Blacksburg, Virginia  
December 9, 2025



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## Engagement Objectives and Results

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### Independent Auditors' Report (pages 9-12 of financial report)

- Determination of whether the financial statements are materially correct in accordance with Generally Accepted Accounting Principles (GAAP)
- Report issued:
  - Unmodified
    - Believe that the financial statements fairly present financial results, position, and cash flows for the year indicated
    - One emphasis of a matter - IDA debt service

### Independent Auditors' Report on Compliance and Other Matters (Yellow Book opinion) (pages 131-132)

- Audit procedures performed in accordance with *Government Auditing Standards (GAS)*
- Report issued:
  - No material compliance related matters to be disclosed
  - No internal control deficiencies disclosed

### Independent Auditors' Report on Compliance for Each Major Program (pages 133-135)

- Required if federal funds received and expended exceed \$750,000 during the year
- Auditor procedures performed in accordance with the Uniform Guidance (UG)
- Testing over compliance and internal controls related to UG requirements and specific program requirements for major programs selected
- Report issued:
  - Unmodified
  - No internal control deficiencies or material weaknesses noted
  - No material compliance related matters to be disclosed



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**Communication with Those Charged with Governance**

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**To the Honorable Members of City Council  
City of Bristol, Virginia**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bristol, Virginia for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Bristol, Virginia are described in Note 1 to the financial statements. As described in Note 26 to the financial statements, the City of Bristol, Virginia changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 101, *Compensated Absences*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities and Statement of Revenues, Expenses, and Changes in Net Position. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of closure and post-closure landfill liability is based on information provided The City's engineers plus balances to finish current projects started during fiscal year 2025. We evaluated the methods, assumptions and data used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation/amortization expense is based on estimated useful lives of assets. We evaluated the methods, assumptions and data used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical information. We evaluated the methods, assumptions and data used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of deferred inflows, outflows, and liabilities related to pension plans and other post-employment plans (OPEB) in which the City of Bristol, Virginia participates are based on actuarial information provided by the Virginia Retirement System and actuary consultants and include certain long-term assumptions used to develop these estimates in determining that they are reasonable to the financial statements taken as a whole.

Management's estimates of lease liability(ies) and related intangible right-to-use asset(s) are based on information provided by the client. We evaluated the methods, assumptions and data used to develop estimates in determining if such estimates are reasonable in relation to the financial statements taken as a whole.

Management's estimate of compensated absences is based on information provided by the client. We evaluated the methods, assumptions, and data used to develop estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of landfill closure and post closure care costs in Note 17 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. Our proposed entries have been provided to management and are available for review in the City Manager's Office.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 26, 2025.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI. Our responsibility with respect to the budgetary comparison information, which also supplements the basic financial statements, is to evaluate the presentation of the schedules in relation to the financial statements as a whole and to report on whether it is fairly stated, in all material respects, in relation to the financial statements as a whole.

We were engaged to report on other supplementary information and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### *Going Concern*

The Independent Auditors' Report included an emphasis of matter paragraph concerning the Bristol Industrial Development Authority (the IDA), a component unit of the City of Bristol, Virginia, and its ability to continue as a going concern. Note 25 to the financial statements discusses this matter.

### Restriction on Use

This information is intended solely for the use of City Council and management of the City of Bristol, Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

*Polina, Faneer, Cox Associates*

Blacksburg, Virginia  
November 26, 2025

**City of Bristol, Virginia**  
**Equity Analysis**

Condensed Statement of Net Position					
Governmental Activities					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Current Assets	48,544,510.00	83,439,662.00	74,080,400.00	75,582,382.00	93,394,005.00
Capital Asset	89,178,286.00	85,507,770.00	96,753,379.00	103,879,491.00	103,714,222.00
Total assets	137,722,796.00	168,947,432.00	170,833,779.00	179,461,873.00	197,108,227.00
Deferred Outflows	8,894,479.00	8,304,680.00	9,080,556.00	7,987,563.00	9,217,814.00
Current Liabilities	8,005,017.00	11,744,572.00	16,771,995.00	7,475,448.00	6,019,232.00
Long-term Liabilities	110,211,696.00	120,043,094.00	245,310,752.00	260,273,341.00	262,933,421.00
Total Liabilities	118,216,713.00	131,787,666.00	262,082,747.00	267,748,789.00	268,952,653.00
Deferred Inflows	13,292,151.00	25,984,926.00	20,297,393.00	17,881,436.00	20,769,646.00
Net Position					
Net Inv in Cap Assets	14,366,458.00	11,960,935.00	12,756,506.00	13,052,727.00	13,409,326.00
Restricted	510,695.00	306,509.00	852,646.00	1,069,655.00	909,644.00
Unrestricted	231,258.00	7,212,076.00	(116,074,957.00)	(112,303,171.00)	(97,715,228.00)
Total Net Position	15,108,411.00	19,479,520.00	(102,465,805.00)	(98,180,789.00)	(83,396,258.00)
Condensed Balance Sheet					
Governmental Funds					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Current Assets	48,575,626.00	83,439,662.00	74,067,803.00	75,567,469.00	93,395,569.00
Capital Asset	-	-	-	-	-
Total assets	48,575,626.00	83,439,662.00	74,067,803.00	75,567,469.00	93,395,569.00
Deferred Outflows	-	-	-	-	-
Current Liabilities	7,519,658.00	12,524,572.00	15,956,665.00	7,295,483.00	4,489,242.00
Long-term Liabilities	-	-	-	-	-
Total Liabilities	7,519,658.00	12,524,572.00	15,956,665.00	7,295,483.00	4,489,242.00
Deferred Inflows	12,292,424.00	13,333,182.00	14,678,625.00	15,116,838.00	17,161,239.00
Fund Balances					
Nonspendable	1,485,975.00	1,483,464.00	1,812,697.00	1,781,172.00	1,830,227.00
Restricted	510,695.00	24,977,681.00	13,583,183.00	13,454,453.00	10,156,850.00
Committed	4,493,347.00	4,528,572.00	4,708,341.00	4,965,178.00	5,208,291.00
Assigned	36,320.00	26,320.00	17,570.00	6,320.00	-
Unassigned	22,237,207.00	26,565,871.00	23,310,722.00	32,948,025.00	54,549,720.00
Total Fund Balances	28,763,544.00	57,581,908.00	43,432,513.00	53,155,148.00	71,745,088.00
Net Governmental Exp	81,510,760.00	85,359,999.00	117,596,698.00	124,586,453.00	113,193,176.00
Total Fund Balance/Exp	35%	67%	37%	43%	63%
Unassigned Fund Bal/Exp	27%	31%	20%	26%	48%

Prior year data not adjusted for implementation of GASB 101.

**City of Bristol, Virginia**  
**Equity Analysis**

	Condensed Statement of Net Position Business-Type Activities (Transit)				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Current Assets	258,888.00	296,622.00	470,657.00	684,888.00	815,013.00
Capital Asset	344,208.00	295,744.00	251,317.00	335,970.00	582,308.00
<b>Total assets</b>	<b>603,096.00</b>	<b>592,366.00</b>	<b>721,974.00</b>	<b>1,020,858.00</b>	<b>1,397,321.00</b>
Deferred Outflows	143,952.00	92,653.00	67,026.00	52,405.00	69,753.00
Current Liabilities	24,742.00	1,120.00	7,278.00	23,178.00	45,535.00
Long-term Liabilities	507,613.00	262,938.00	325,566.00	303,220.00	251,552.00
<b>Total Liabilities</b>	<b>532,355.00</b>	<b>264,058.00</b>	<b>332,844.00</b>	<b>326,398.00</b>	<b>297,087.00</b>
Deferred Inflows	18,854.00	277,745.00	127,184.00	53,962.00	87,580.00
<b>Net Position</b>					
Net Inv in Cap Assets	344,208.00	295,744.00	251,317.00	335,970.00	582,308.00
Unrestricted	(148,369.00)	(152,528.00)	77,655.00	356,933.00	500,096.00
<b>Total Net Position</b>	<b>195,839.00</b>	<b>143,216.00</b>	<b>328,972.00</b>	<b>692,903.00</b>	<b>1,082,404.00</b>

*Prior year data not adjusted for implementation of GASB 101.*

**City of Bristol, Virginia  
General Fund Summary  
Fiscal Years 2020-2025**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<b>Annualized Growth Rate from 21</b>
<b>Revenues:</b>						
General property taxes	\$ 18,668,997	\$ 18,898,411	\$ 19,846,694	\$ 21,807,432	\$ 23,137,194	5.51%
Other local taxes	14,844,720	17,285,025	19,316,339	24,614,824	27,331,182	16.49%
Permits, privilege fees, and regulatory licenses	122,478	159,200	198,733	174,017	218,908	
Fines and forfeitures	164,299	150,502	206,445	368,887	234,390	
Revenue from the use of money and property	215,311	226,943	1,957,007	2,665,676	2,359,913	
Charges for services	1,339,643	1,478,016	4,879,900	5,274,999	4,998,586	38.98%
Miscellaneous	1,069,561	1,098,549	1,478,236	3,059,874	1,125,152	
Recovered costs	512,083	368,308	967,018	1,072,157	455,295	
Intergovernmental revenues	23,290,749	19,118,957	31,114,777	21,720,646	39,968,256	14.45%
<b>Total Revenues</b>	<b>60,227,841</b>	<b>58,783,911</b>	<b>79,965,149</b>	<b>80,758,512</b>	<b>99,828,876</b>	<b>13.47%</b>
<b>Expenditures</b>						
General government administration	3,919,062	3,618,355	6,283,698	7,104,712	5,337,059	8.03%
Judicial administration	1,769,796	1,876,846	2,069,127	2,110,034	2,308,199	6.87%
Public safety	16,146,382	14,547,180	16,491,477	18,263,844	18,577,010	3.57%
Public works	5,336,052	5,853,494	28,334,636	28,667,931	14,283,146	27.91%
Health and welfare	8,548,814	8,727,865	9,373,677	9,904,186	10,027,197	4.07%
Education	7,314,122	6,622,419	7,462,750	7,908,031	8,566,146	4.03%
Parks, recreation, and cultural	2,300,637	2,555,846	3,181,829	2,984,432	3,178,751	8.42%
Community and economic development	3,557,952	3,688,403	4,565,716	4,205,515	4,564,076	6.42%
Nondepartmental	-	259,086	-	-	-	
<b>Total operating expenditures</b>	<b>48,892,817</b>	<b>47,749,494</b>	<b>77,762,910</b>	<b>81,148,685</b>	<b>66,841,584</b>	<b>8.13%</b>
Capital projects	544,068	292,867	12,064,823	10,272,890	3,046,914	
<b>Debt Service:</b>						
Principal retirement (net of refundings)	2,306,182	2,332,302	4,937,605	4,660,976	5,159,101	
Interest and other fiscal charges (net of refundings)	2,923,312	2,852,373	4,631,049	5,392,178	6,308,368	
Issuance costs (net of refundings)	914	1,650	1,477	601,185	-	
<b>Total Debt Service</b>	<b>5,230,408</b>	<b>5,186,325</b>	<b>9,570,131</b>	<b>10,654,339</b>	<b>11,467,469</b>	<b>21.68%</b>
Debt Refinancing	17,348	-	-	-	-	
<b>Total Expenditures</b>	<b>54,649,945</b>	<b>53,228,686</b>	<b>99,397,864</b>	<b>102,075,914</b>	<b>81,355,967</b>	
Other financing sources uses (net of refundings)	(126,116)	23,236,607	5,283,320	31,040,037	117,031	
Change in Fund Balance	5,451,780	28,791,832	(14,149,395)	9,722,635	18,589,940	
Beginning Fund Balance	23,311,764	28,790,076	57,581,908	43,432,513	53,155,148	(2)
Ending Fund Balance	\$ 28,763,544	\$ 57,581,908	\$ 43,432,513	\$ 53,155,148	\$ 71,745,088	
Ending Cash Balance (unrestricted)	\$ 24,402,607	\$ 28,861,048	\$ 31,977,959	\$ 35,957,294	\$ 54,421,522	(1)

(1). Excludes restricted cash balances

(2). Any restatements due to accounting changes have not been applied retroactively.

Summarized from Financial Reports for the fiscal years listed above.

**City of Bristol, Virginia**  
**Calculation of Operating Reserve**  
**Fiscal Years 2021-2025**

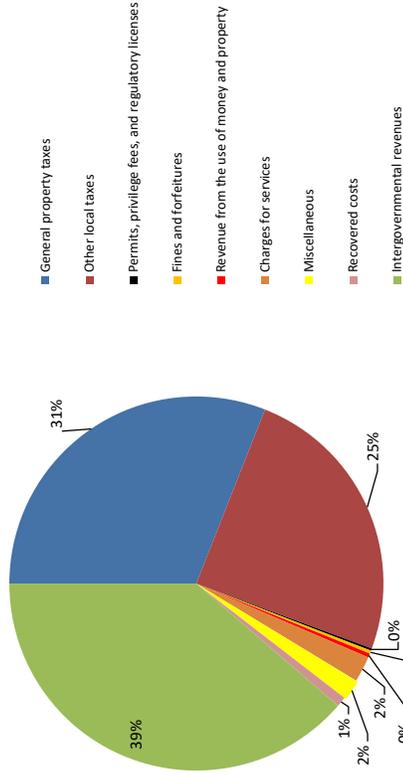
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	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Ending General Fund Balance	\$ 28,763,544	\$ 57,581,908	\$ 43,432,513	\$ 53,155,148	\$ 71,745,088
Ending General Fund Cash Balance (unrestricted)	\$ 24,402,607	\$ 28,861,048	\$ 31,977,959	\$ 35,957,294	\$ 54,421,522
Total City operating expenditures and debt service	\$ 54,123,225	\$ 52,935,819	\$ 87,333,041	\$ 91,803,024	\$ 78,309,053
School Board operating expenditures	33,775,739	39,014,995	37,665,582	40,628,610	43,387,258
Less: City contribution to school board included in gross	(6,388,204)	(6,590,815)	(7,401,925)	(7,845,181)	(8,503,135)
Net Government Operating Expenditures	\$ 81,510,760	\$ 85,359,999	\$ 117,596,698	\$ 124,586,453	\$ 113,193,176
Ending Fund Balance as a % of Operating Expenditures	35.3%	67.5%	36.9%	42.7%	63.4%
Ending Cash Balance as a % of Operating Expenditures	29.9%	33.8%	27.2%	28.9%	48.1%

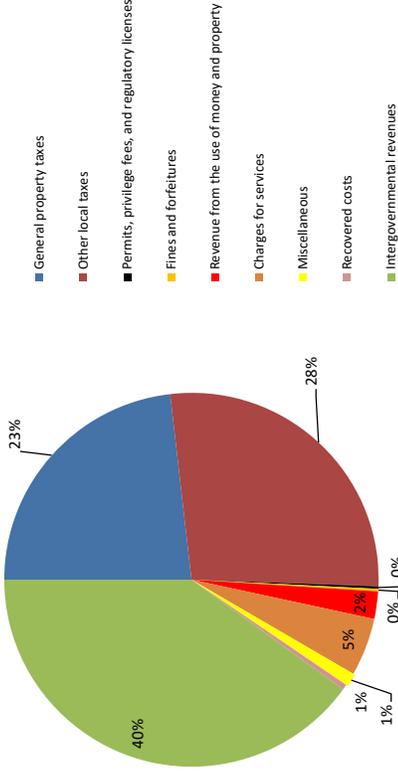
Summarized from Financial Reports for the fiscal years listed above.

# BRISTOL, VIRGINIA

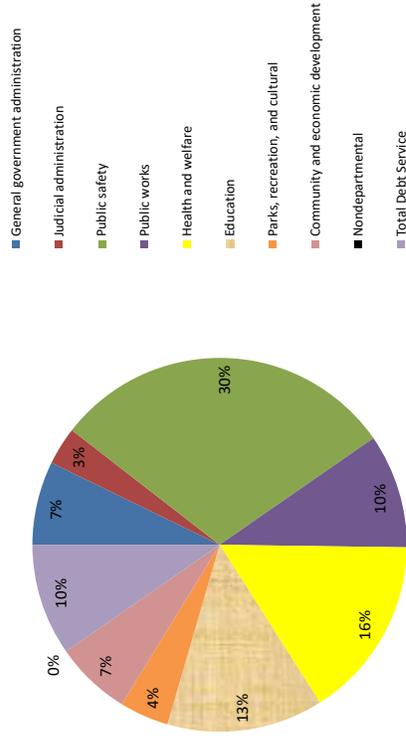
## General Fund Revenues for Fiscal Year 2021



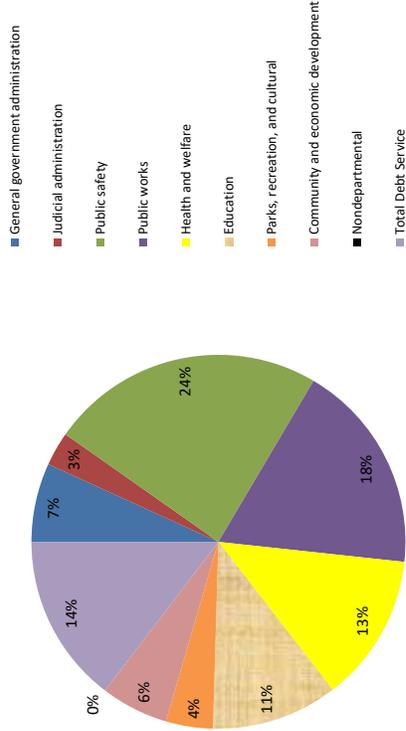
## General Fund Revenues for Fiscal Year 2025



## General Fund Expenditures for Fiscal Year 2021



## General Fund Expenditures for Fiscal Year 2025

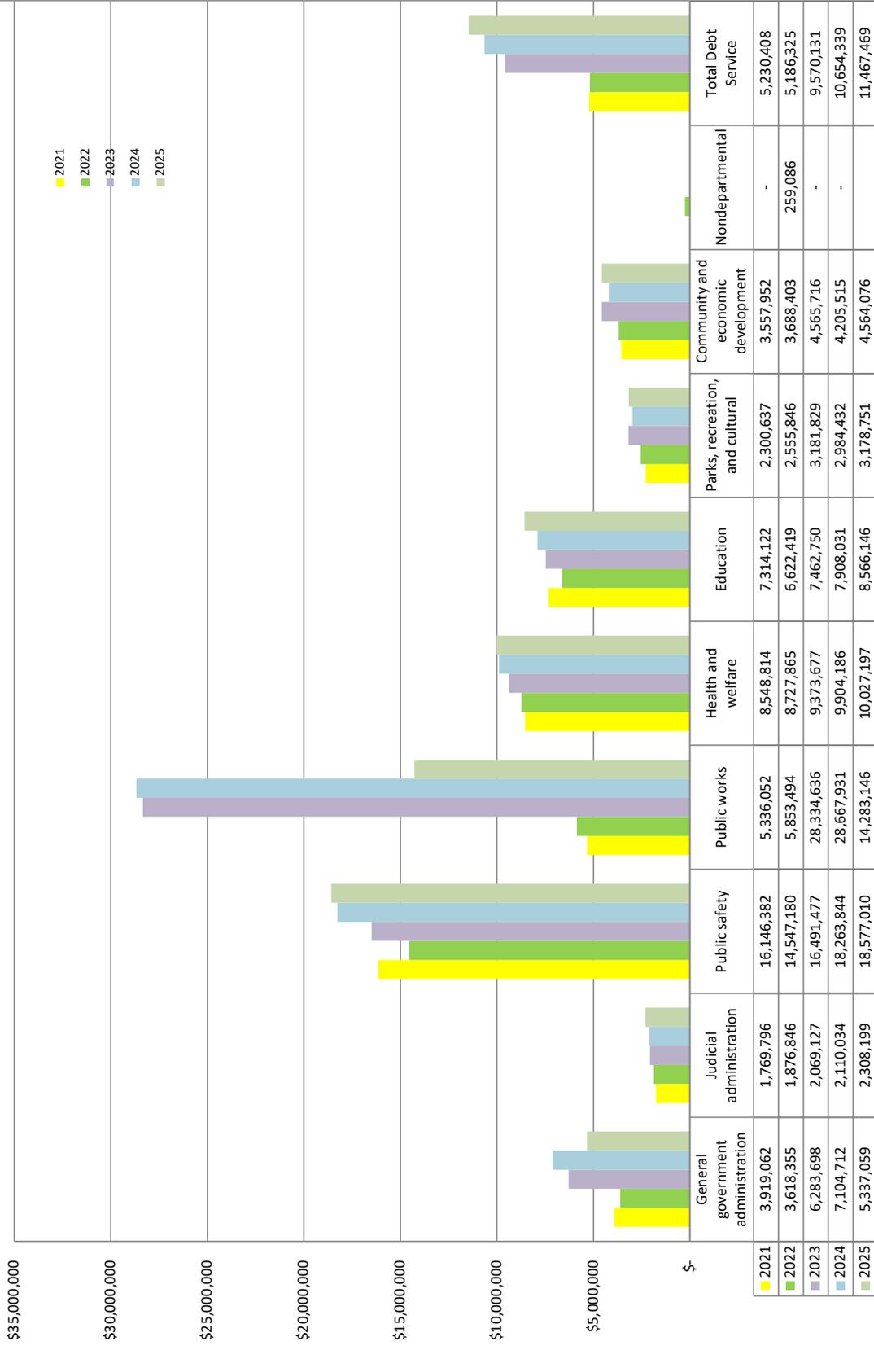


## BRISTOL, VIRGINIA General Fund Revenues by Fiscal Year



BRISTOL, VIRGINIA

**General Fund Expenditures by Fiscal Year**



**City of Bristol, Virginia  
Debt Summary**

	<u>2021</u>	<u>2022 (1)</u>	<u>2023 (2)</u>	<u>2024</u>	<u>2025</u>
<b>Governmental Acts Long-term Obligations</b>					
<b>Interest bearing debt:</b>					
Lease Revenue Note (includes premium)	\$ -	\$ 25,016,838	\$ 24,953,073	\$ 24,889,308	\$ 24,444,670
General Obligation Debt (includes premium)	73,042,660	71,222,580	102,224,000	129,472,268	125,481,406
Lease Liabilities	-	2,721,538	2,800,200	2,354,200	1,893,797
Capital Leases/Loans payable	3,328,674	630,298	1,250,358	816,882	402,684
Total interest bearing debt:	76,371,334	99,591,254	131,227,631	157,532,658	152,222,557
<b>Other long-term liabilities:</b>					
Compensated Absences	1,791,460	1,643,883	1,863,493	1,996,057	4,334,801
Landfill Closure-Post-closure Estimate	-	-	90,816,109	78,867,145	84,783,132
Net Pension Liability	24,396,880	10,217,705	15,219,871	16,340,214	15,765,549
Net OPEB Liability	6,952,022	6,873,966	6,183,648	5,537,267	5,827,382
Revenue Sharing Agreement	700,000	350,000	-	-	-
Total other long-term liabilities	33,840,362	19,085,554	114,083,121	102,740,683	110,710,864
General Long-term Obligations	\$ 110,211,696	\$ 118,676,808	\$ 245,310,752	\$ 260,273,341	\$ 262,933,421
<b>Business-Type Long-term Obligations</b>					
<b>Interest bearing debt (solid waste):</b>					
General Obligation Debt	\$ 35,002,728	\$ 34,197,769	\$ -	\$ -	\$ -
Lease Liabilities	-	812,610	-	-	-
Capital Leases/Loans payable	735,993	1,048,934	-	-	-
Total interest bearing debt:	35,738,721	36,059,313	-	-	-
<b>Other long-term liabilities (solid waste):</b>					
Landfill Closure Liability	12,285,473	12,859,631	-	-	-
Compensated Absences	118,063	86,556	-	-	-
Net Pension Liability	1,307,175	561,895	-	-	-
Net OPEB Liability	176,590	167,950	-	-	-
Total other long-term liabilities	13,887,301	13,676,032	-	-	-
Business-Type Long-term Obligations (solid waste)	\$ 49,626,022	\$ 49,735,345	\$ -	\$ -	\$ -
<b>Other long-term liabilities (transit):</b>					
Compensated Absences	\$ 35,390	\$ 38,732	\$ 32,011	\$ 29,495	\$ 53,835
Net Pension Liability	417,370	172,235	250,471	259,089	200,588
Net OPEB Liability	54,853	51,971	43,084	36,757	37,505
Total other long-term liabilities	507,613	262,938	325,566	325,341	291,928
Business-Type Long-term Obligations (transit)	\$ 507,613	\$ 262,938	\$ 325,566	\$ 325,341	\$ 291,928
Business-Type Long-term Obligations	\$ 50,133,635	\$ 49,998,283	\$ 325,566	\$ 325,341	\$ 291,928

**City of Bristol, Virginia  
Debt Summary**

	2021	2022	2023	2024	2025
<b>School Board:</b>					
Other Long-term Obligations	\$ 495,750	\$ 508,500	\$ 460,209	\$ 464,579	\$ 1,884,718
Energy Lease/Financed Purchases	1,996,559	3,735,569	3,402,634	3,060,498	2,708,906
Lease/Subscription liabilities	-	151,559	164,874	95,443	269,844
Net Pension Liability-VRS	22,678,718	12,500,020	14,704,077	15,793,049	14,276,152
Net OPEB Liability	4,745,446	4,530,362	4,143,369	4,106,025	4,938,448
<b>School Board Long-term Obligations</b>	<b>\$ 29,916,473</b>	<b>\$ 21,426,010</b>	<b>\$ 22,875,163</b>	<b>\$ 23,519,594</b>	<b>\$ 24,078,068</b>
<b>IDA:</b>					
Revenue Bonds	\$ 30,740,000	\$ 30,595,000	\$ 30,440,000	\$ 30,275,000	\$ 30,095,000
<b>IDA Long-term Obligations</b>	<b>\$ 30,740,000</b>	<b>\$ 30,595,000</b>	<b>\$ 30,440,000</b>	<b>\$ 30,275,000</b>	<b>\$ 30,095,000</b>
<b>Total Long-term Obligations</b>	<b>\$ 221,001,804</b>	<b>\$ 220,696,101</b>	<b>\$ 298,951,481</b>	<b>\$ 314,393,276</b>	<b>\$ 317,398,417</b>
Population	17,219	17,219	17,219	17,219	17,219
Debt per capita (interest bearing)	8,296.07	9,654.77	9,388.91	10,907.00	10,588.16
Debt per capita (other)	4,538.69	3,162.24	7,972.81	7,351.51	7,844.87
Debt per capita (total)	12,834.76	12,817.01	17,361.72	18,258.51	18,433.03
State Averages	7,398.00	7,199.00	7,853.00	8,173.00	not avail.

(1) Adoption of GASB 87 in 2022

(2) Solid Waste Fund merged into the General Fund



Date: November 26, 2025  
Memorandum to: Tamrya Spradlin, Assistant City Manager  
From: Robinson, Farmer, Cox Associates  
Regarding: FY25 Audit

In planning and performing our audit of the financial statements of the City of Bristol, Virginia for the year ended June 30, 2025, we considered the City's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 26, 2025, on the financial statements of the City of Bristol, Virginia. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Urban Highway Maintenance Program:

The City receives State funding for the maintenance of roads within the City from the Virginia Department of Transportation (VDOT). The City is required to track funds expended on City roads and report same to VDOT annually. The City uses a database to track expenditures including charges for equipment used in the program. The current administrative process is cumbersome and time consuming. Accordingly, we recommend that the City develop a new methodology for tracking expenses related to eligible street expenditures in the City.

Financial Disclosure Statements and Economic Interest Forms:

During our review of these forms completed by key government officials, we noted that some forms were not completely filled out or were filled out incorrectly. We also noted that one form was completed after the stator deadline of February 1, 2025. Since these forms are completed once a year (only) and are complex, we recommend that the City have someone review the forms for completeness and accuracy and follow-up with any officials, as necessary.

# Accounting Update – Summary of Upcoming Pronouncements by the Governmental Accounting Standards Board (GASB)<sup>1</sup>

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## GASB STATEMENT NO. 103 – Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

### Management's Discussion and Analysis

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

### Unusual or Infrequent Items

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

### Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses.

<sup>1</sup> Source of information – Governmental Accounting Standards Board. Readers may obtain complete copies of these standards at: <http://www.gasb.org/>

Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

#### Major Component Unit Information

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

#### Budgetary Comparison Information

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

#### Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

## GASB STATEMENT NO. 104 – Disclosure of Certain Capital Assets

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology*

*Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

### Effective Date

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.