



Mary Taylor, CPA
Auditor of State

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

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Mary Taylor, CPA
Auditor of State

Bristol Township
Trumbull County
P.O. Box 254
Bristolville, Ohio 44402

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 21, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bristol Township
Trumbull County
P.O. Box 254
Bristolville, Ohio 44402

To the Board of Trustees:

We have audited the accompanying financial statements of Bristol Township, Trumbull County, (the Township) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Bristol Township, Trumbull County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 21, 2007

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$89,278	\$221,296		\$310,574
Licenses, Permits, and Fees		13,973		13,973
Intergovernmental	76,656	123,315		199,971
Earnings on Investments	13,289	112	\$35	13,436
Miscellaneous	33,552	138,890		172,442
Total Cash Receipts	<u>212,775</u>	<u>497,586</u>	<u>35</u>	<u>710,396</u>
Cash Disbursements:				
Current:				
General Government	142,675	17,247		159,922
Public Safety	2,070	251,530		253,600
Public Works	12,108	137,860		149,968
Health	25,472	32,320		57,792
Other		40,885	35	40,920
Debt Service:				
Redemption of Principal	33,168			33,168
Total Cash Disbursements	<u>215,493</u>	<u>479,842</u>	<u>35</u>	<u>695,370</u>
Total Receipts Over/(Under) Disbursements	<u>(2,718)</u>	<u>17,744</u>	<u>0</u>	<u>15,026</u>
Other Financing Receipts:				
Other Financing Sources	332	6,850		7,182
Total Other Financing Receipts	<u>332</u>	<u>6,850</u>	<u>0</u>	<u>7,182</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements	(2,386)	24,594	0	22,208
Fund Cash Balances, January 1	<u>212,804</u>	<u>331,465</u>	<u>10,155</u>	<u>554,424</u>
Fund Cash Balances, December 31	<u>\$210,418</u>	<u>\$356,059</u>	<u>\$10,155</u>	<u>\$576,632</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$16,513</u>	<u>\$0</u>	<u>\$16,513</u>

The notes to the financial statements are an integral part of this statement.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$65,402	\$207,819	\$12,035		\$285,256
Licenses, Permits, and Fees		16,552			16,552
Intergovernmental	109,946	114,750			224,696
Earnings on Investments	1,344	196		\$35	1,575
Miscellaneous	33,566	144,478			178,044
Total Cash Receipts	<u>210,258</u>	<u>483,795</u>	<u>12,035</u>	<u>35</u>	<u>706,123</u>
Cash Disbursements:					
Current:					
General Government	112,194	16,554			128,748
Public Safety	4,830	288,853			293,683
Public Works	4,731	128,800			133,531
Health	22,218	40,384			62,602
Other		11,292		35	11,327
Debt Service:					
Redemption of Principal	33,000		12,116		45,116
Interest and Other Fiscal Charges	2,269				2,269
Total Cash Disbursements	<u>179,242</u>	<u>485,883</u>	<u>12,116</u>	<u>35</u>	<u>677,276</u>
Total Receipts Over/(Under) Disbursements	<u>31,016</u>	<u>(2,088)</u>	<u>(81)</u>	<u>0</u>	<u>28,847</u>
Other Financing Receipts:					
Other Financing Sources	87	6,400			6,487
Total Other Financing Receipts	<u>87</u>	<u>6,400</u>	<u>0</u>	<u>0</u>	<u>6,487</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements	<u>31,103</u>	<u>4,312</u>	<u>(81)</u>	<u>0</u>	<u>35,334</u>
Fund Cash Balances, January 1	<u>181,701</u>	<u>327,153</u>	<u>81</u>	<u>10,155</u>	<u>519,090</u>
Fund Cash Balances, December 31	<u>\$212,804</u>	<u>\$331,465</u>	<u>\$0</u>	<u>\$10,155</u>	<u>\$554,424</u>
Reserve for Encumbrances, December 31	<u>\$425</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$425</u>

The notes to the financial statements are an integral part of this statement.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Bristol Township, Trumbull County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire and police protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township had no investments as of December 31, 2006 and December 31, 2005. Funds are held in a business checking account, passbook savings accounts, and a money market savings account.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Emergency Vehicle Fund – This fund receives property tax money and charges for services which are used to operate the ambulance.

Fire Special Levy Fund – This fund receives tax revenue from a voted levy to purchase equipment and operate the Volunteer Fire Department.

3. Debt Service Fund

This fund accounts for resources the Township accumulates to pay note debt incurred to pay costs of closing the landfill.

4. Permanent Fund

This fund accounts for assets held under trust agreements that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township's permanent fund receives interest earned on the nonexpendable corpus from trust agreements. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

The Township maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2006	2005
Demand deposits	\$576,632	\$554,424
Total deposits	\$576,632	\$554,424

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and December 31, 2005 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$212,552	\$213,107	\$555
Special Revenue	487,389	504,436	17,047
Permanent	30	35	5
Total	\$699,971	\$717,578	\$17,607

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$425,781	\$215,493	\$210,288
Special Revenue	818,855	496,355	322,500
Permanent	10,185	35	10,150
Total	\$1,254,821	\$711,883	\$542,938

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$203,926	\$210,345	\$6,419
Special Revenue	463,382	490,195	26,813
Debt Service	23,736	12,035	(11,701)
Permanent	36	35	(1)
Total	<u>\$691,080</u>	<u>\$712,610</u>	<u>\$21,530</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$385,627	\$179,667	\$205,960
Special Revenue	790,536	485,883	304,653
Debt Service	23,818	12,116	11,702
Permanent	10,192	35	10,157
Total	<u>\$1,210,173</u>	<u>\$677,701</u>	<u>\$532,472</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 2006 was as follows:

Promissory Note - Real Estate	<u>Principal</u>	<u>Interest Rate</u>
	\$74,638	5.00%
Total	<u>\$74,638</u>	

The Township granted the sellers of real property a promissory note in exchange for real estate the Township will use for expansion of their cemetery. The Township's taxing authority collateralized the note.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

5. DEBT – (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Promissory Note - Real Estate
2007	<u>\$51,458</u>
2008	<u>30,000</u>
Total	<u><u>\$81,458</u></u>

6. RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Township contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Bristol Township
Trumbull County
P.O. Box 254
Bristolville, Ohio 4440228

To the Township Board of Trustees:

We have audited the financial statements of the Bristol Township, Trumbull County, (the Township) as of and for the years ended December 31, 2006 and December 31, 2005, and have issued our report thereon dated December 21, 2007, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. We did note certain noncompliance or other matters that we reported to the Township's management in a separate letter dated December 21, 2007.

We intend this report solely for the information and use of management and Township Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 21, 2007



Mary Taylor, CPA
Auditor of State

BRISTOL TOWNSHIP

TRUMBULL COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 17, 2008**