



Dave Yost • Auditor of State

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

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Dave Yost • Auditor of State

Bristol Township
Trumbull County
PO 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.

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Dave Yost
Auditor of State

August 9, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bristol Township
Trumbull County
PO 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 year ended December 31, 2009. 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 year ended December 31, 2009 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, 2009, or its changes in financial position for the year then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances for Bristol Township, Trumbull County, as of December 31, 2009, and its combined cash receipts and disbursements for the year 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 August 9, 2011, 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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

August 9, 2011

**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, 2009**

	<u>Governmental Fund Types</u>					<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:						
Property and Other Local Taxes	\$75,079	\$214,952	\$11,500	\$0	\$0	\$301,531
Charges for Services		149,563				149,563
Licenss, Permits, and Fees		17,828				17,828
Intergovernmental	149,878	131,767		68,164		349,809
Earnings on Investments	6,879	582				7,461
Miscellaneous	37,789					37,789
Total Cash Receipts	<u>269,625</u>	<u>514,692</u>	<u>11,500</u>	<u>68,164</u>	<u>0</u>	<u>863,981</u>
Cash Disbursements:						
Current:						
General Government	194,988	15,836				210,824
Public Safety		303,233				303,233
Public Works	41,804	163,789		68,164		273,757
Health	10,471	23,146				33,617
Other		40,158				40,158
Debt Service:						
Redemption of Principal			8,000			8,000
Interest and Other Fiscal Charges			3,500			3,500
Total Cash Disbursements	<u>247,263</u>	<u>546,162</u>	<u>11,500</u>	<u>68,164</u>	<u>0</u>	<u>873,089</u>
Total Receipts Over/(Under) Disbursements	<u>22,362</u>	<u>(31,470)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,108)</u>
Other Financing Receipts / (Disbursements):						
Other Financing Sources	0	5,822				5,822
Total Other Financing Receipts / (Disbursements)	<u>0</u>	<u>5,822</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,822</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	22,362	(25,648)	0	0	0	(3,286)
Fund Cash Balances, January 1	286,573	391,471	0	0	3,100	681,144
Fund Cash Balances, December 31	<u>\$308,935</u>	<u>\$365,823</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,100</u>	<u>\$677,858</u>

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

BRISTOL TOWNSHIP
TRUMBULL COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Fiduciary Fund Types</u>
	<u>Private Purpose Trust</u>
Operating Cash Receipts:	
Charges for Services	\$0
Miscellaneous	<u>29</u>
Total Operating Cash Receipts	<u>29</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>40</u>
Total Operating Cash Disbursements	<u>40</u>
Operating Income/(Loss)	<u>(11)</u>
Fund Cash Balances, January 1	<u>7,045</u>
Fund Cash Balances, December 31	<u><u>\$7,034</u></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, 2009**

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 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 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. Deposits 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 at December 31, 2009. Funds are held in a business checking account and passbook 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:

Ambulance and Paramedic Fund – This fund receives payments from insurance companies and individual citizens for emergency services provided by the Township fire department which are used to fund the related operations.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Fire Special Levy Fund - This fund receives revenue from a voted levy to purchase equipment and operate the Township's volunteer fire department.

Fire Grant – ARRA FEMA – This fund accounts for the grant received from FEMA for the construction of a new Township Fire Station.

3. Debt Service Funds

This fund account for resources the Township accumulates to pay bond and note debt.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund.

Issue II Fund – This fund accounts for a grant from the State of Ohio for resurfacing Housel Craft Road.

5. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township had the following significant permanent fund:

Cemetery Endowment Fund – This fund receives interest to be used for the general maintenance and upkeep of the Township's cemetery.

6. Fiduciary Funds

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust funds are for the benefit of certain individuals to be used for the purchase of flowers for their designated grave sites.

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 fund, function or object 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.

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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 reappropriated.

A summary of 2009 budgetary activity appears in Note 3.

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 DEPOSITS AND INVESTMENTS

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

Demand deposits	\$677,850
Other time deposits (savings and NOW accounts)	<u>7,042</u>
Total deposits	<u>684,892</u>

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 year ended December 31, 2009 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$234,447	\$269,627	\$35,180
Special Revenue	517,982	520,514	2,532
Debt Service	11,500	11,500	0
Capital Projects	68,164	68,164	0
Fiduciary	20	29	9
Total	<u>\$832,113</u>	<u>\$869,834</u>	<u>\$37,721</u>

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$505,350	\$247,264	\$258,086
Special Revenue	842,042	546,162	295,880
Debt Service	11,500	11,500	0
Capital Projects	68,164	68,164	0
Fiduciary	7,065	40	7,025
Permanent	3,100	0	3,100
Total	\$1,437,221	\$873,130	\$564,091

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, 2009 was as follows:

	Principal	Interest Rate
General Obligation Notes	64,000	5%
Total	\$64,000	

The Township issued the general obligation note for the purpose of purchasing real estate for the expansion of the Township's general government services, cemetery, and/or fire department. The Township's taxing authority collateralized the note.

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

**BRISTOL TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)**

5. DEBT - (Continued)

Year ending December 31:	General Obligation Note
2010	\$11,100
2011	10,700
2012	10,300
2013	9,900
2014	9,500
2015-2017	26,100
Total	<u>\$77,600</u>

6. RETIREMENT SYSTEMS

All full time Township employees belong to the Ohio Public Employees Retirement System (OPERS). The fiscal officer, three trustees, and full time road department employees receive a 10% pick-up of their OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

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

Bristol Township
Trumbull County
PO Box 254
Bristolville, Ohio 44402

To the Board of Trustees:

We have audited the financial statements of Bristol Township, Trumbull County, (the Township) as of and for the year ended December 31, 2009, and have issued our report thereon dated August 9, 2011, 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

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 over financial reporting that might be deficiencies, 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 matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 9, 2011.

We intend this report solely for the information and use of management, the Board of Trustees, and federal awarding agencies and pass-through entities, and others within the Township. We intend it for no one other than these specified parties.

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Dave Yost
Auditor of State

August 9, 2011



Dave Yost • 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
SEPTEMBER 20, 2011**